

United States Senate

REPUBLICAN POLICY COMMITTEE

Larry E. Craig, Chairman

Jade West, Staff Director



July 22, 1997

Administration's Climate Change Plan is Fundamentally Flawed

Byrd-Hagel "Global Warming" Resolution Provides Administration With A Needed Reality Check

S. Res. 98, the Byrd-Hagel resolution opposing the Clinton Administration's Climate Change negotiating plan may come before the Senate as early as Wednesday. This paper is an executive summary of a more complete staff paper that is being sent to each Senator's office.

While the Current Climate Treaty Began As Voluntary . . . The Administration is pursuing a new treaty to follow onto the Framework Convention on Global Climate Change (FCCC) signed by the United States in Rio De Janeiro, Brazil in June 1992, and approved by the Senate in 1993. That treaty called for the economically developed countries to undertake *voluntary actions to "aim" to reduce*, by the year 2000, their greenhouse gas emissions (carbon dioxide, methane and nitrogen oxides) to their 1990 levels.

. . . Now the Administration is Proposing a Legally Binding Treaty. The Administration is seeking agreement on a treaty in Kyoto, Japan, in December that will legally bind the economically developed countries to reach emissions targets of 1990 levels or below by 2010, while placing no commitments on the 130 developing countries, including China. Moreover, the European Union is arguing it can average its emissions within its members. Thus, the *EU effectively will not have any reductions* to make, while the *United States will have to reduce more than 25 percent* of its carbon dioxide emissions from fossil fuel use by 2010.

The Clinton Plan Will Drive the Economy Down and Jobs Overseas. The AFL-CIO has estimated that the Administration's treaty plan to stabilize emissions at 1990 levels *will cost between 1.25 and 1.5 million American jobs*, which the AFL-CIO asserts "would not disappear, they would simply move overseas."

The Byrd-Hagel Resolution Addresses this Unfair Treatment of America. S. Res. 98 declares that the United States should not be a signatory to any treaty that imposes new greenhouse gas emissions reductions on the economically developed countries unless it also "mandates specific new scheduled

commitments to limit or reduce greenhouse gas emissions for Developing Country Parties within the same compliance period." By *requiring the developing countries to do their share of economic sacrifice at the same time as the United States*, American jobs are less likely to move overseas.

Global Problems Require Global Solutions. Those who believe that harmful Global Warming is occurring because of fossil fuel use must also agree that the developing countries need to participate in the solution. The United States does produce about 20 percent of the world's carbon emissions, but also produces over 26 percent of the world's goods and services. However, the developing countries are projected to continue accelerating their use of fossil fuels during the next century. By 2015, China alone will surpass the United States in total carbon emissions. Without the full participation of the developing countries, particularly China, South Korea, Mexico, Brazil, and India, the tremendous sacrifices intended for Americans by this Administration essentially will have been in vain, resulting in little slowing of the steady increase of carbon dioxide concentrations in the atmosphere.

S. Res. 98 Also Opposes Any Treaty Resulting in Serious Economic Harm.

S. Res. 98 provides, as a separate test, that any new treaty that "results in serious harm to the United States economy" should be opposed. However, the Administration is already attempting to soft-peddle the potential costs of returning the U.S. carbon dioxide emissions to 1990 levels by claiming its plan calls for using "international trading of emissions credits." Generally, market mechanisms such as emissions trading have the potential to achieve emission reductions with less overall costs than energy taxes. However, an international trading scheme still will require a regulatory program to cap and ratchet down U.S. businesses' energy use, and also will require U.S. companies to buy greenhouse gas emissions credits from other countries. Accordingly, U.S. companies trying to expand and increase employment and output *would be forced to subsidize the competition or move overseas*. Moreover, these dollars will flow to foreign countries, and would not be recycled within the U.S. economy. *The end result of using "trading schemes" will be job loss, lower economic growth, and higher consumer costs.*

The Administration is Hiding its Final Proposal and its Costs. In order to evade criticism, the Administration just declared that it will not reveal its final negotiating target (1990 levels or even below, toward the EU's proposal of 15 percent below 1990 levels) or its timetable (2010 or 2015). Incredibly, the Administration also declared that it will abandon its project to use economic models to assist policymakers in selecting among the range of options. Instead, the Administration is simply saying, "Don't believe all the energy tax-based economic models, our plan will use 'international emissions trading,' and so won't cost a thing."

Global Warming Science is Too Uncertain to Justify Radical Action. The Administration has been demagoging only the catastrophic view of the Global Warming debate. The real scientific consensus is that any net increases in temperature that have been caused by fossil fuel use are still well within natural weather variability, and future effects are most likely to be gradual over many decades to come. Unfortunately, the public's perceptions of Global Warming were shaped by early computer climate

model forecasts, which exaggerated the effects of increased carbon dioxide in the atmosphere. As a result of further analyses, climate models' estimates of future temperature increases are dropping quickly. The models already reflect a decrease by one-third from the estimates made in 1990 -- now about 2 degrees C over the next 100 years -- with more reductions likely as models better deal with major factors such as water vapor and aerosols. While still important, the newer estimates reduce the "need" to act rashly.
