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Ill-Considered Climate Change Policies Could Hurt Competitiveness and Environment Says Industry Group

March 1, 1993, Washington, DC...Unilateral activities by the United States on global climate change could hurt U.S. competitiveness and the environment, the Global Climate Coalition (GCC) told Congress today.

Testifying before the House Subcommittee on Economic Policy, Trade and the Environment, GCC Chairman Michael Baroody said "Proceeding on a unilateral basis to stabilize or reduce greenhouse gas emissions, in the absence of an international agreement applicable to all nations emitting greenhouse gases and with an effective enforcement mechanism, could place U.S. industry at a competitive disadvantage in world markets and could harm our nation's economy."

"A strong and growing U.S. economy and a robust industrial sector are prerequisites to addressing domestic and international environmental challenges. Ill-considered policy responses to issues such as climate change would ultimately hamstring our ability to respond to pressing energy and environmental challenges," said Baroody, who also is Senior Vice President of the National Association of Manufacturers. Baroody testified today on current U.S. policy on global climate change, and specifically on whether the U.S. National Action Plan (NAP), as submitted late last year to the United Nations in accordance with climate treaty obligations, should be restructured or expanded.

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Recent studies conclude that restricting greenhouse gas emissions to 1988 levels by 2010 could: 1) reduce the Gross Domestic Product by 1.5 to 2 percent; 2) cost as many as 500,000 jobs; and 3) increase the price of electricity by 50-60 percent in the industrial sector of the U.S. economy, according to GCC.

Since scientists are still far from certain that man-made greenhouse gases are contributing to global climate change, Baroody suggested that these massive economic dislocations might, in the end, be totally unnecessary.

"There is neither an obligation nor a compelling reason for the administration to restructure the U.S. NAP at this time," Baroody said. "The Global Climate Coalition believes that command and control measures, such as targets and timetables, are unnecessary and should be avoided in any national action plan." Baroody added that the U.S. NAP could be updated to reflect changes in U.S. laws and policies as well as voluntary actions by industry that will cut greenhouse gas emissions in years and decades ahead. Significant emissions reductions are expected to result from the recently passed Energy Policy Act, the Clean Air Act Amendments of 1990 and EPA's Green Lights program.

The group called for a comprehensive, international approach to the global climate change issue. By 2050, nearly 77 percent of the world's total greenhouse gas emissions resulting from human activity will come from developing countries, according to Baroody. The group believes that the transfer of efficient, clean technologies to developing countries is a crucial element of any international agreement.

In his testimony, Baroody also emphasized this country's continued leadership role. The United States was the first nation to ratify the Framework Convention, the climate treaty signed at the Earth Summit in Rio de Janeiro. To date only 10 other countries have ratified the Convention. Thirty-nine additional countries must take action for the Convention to take effect. Some observers estimate that this will not occur until well into 1994.

The Global Climate Coalition is a broad-based organization of business trade associations and companies representing virtually all elements of U.S. industry, including the energy-producing and energy-consuming sectors.

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