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White House Consultations with Labor Groups on Volunteer Action to Reduce Greenhouse Gas Emissions 9/28/1998

2017-1093-F
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White House Consultations with Labor Groups on Volunteer Action to Reduce Greenhouse Gas Emissions

9:30 a.m.

Monday, September 28, 1998

American Federation of Labor and Congress of Industrial Organizations

AFL-CIO

American Federation of Labor and Congress of Industrial Organizations

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

RICHARD L. TRUMKA
AFL-CIO Secretary Treasurer

Richard L. Trumka was elected October 25, 1995, as the youngest secretary-treasurer in the AFL-CIO history, part of an insurgent campaign to reinvigorate the American labor movement.

At the time of his election, Trumka 46, was serving his third term as president of the United Mine Workers of America. A member of the AFL-CIO Executive Council since 1989, he chaired the Strategic Approaches and Energy Committees and served on the executive boards of the Industrial Union, Maritime Trades and Transportation Trades Departments.

In 1994, President Clinton named him to the Bipartisan Commission on Entitlement and Tax Reform, where he represented the interests of working families in policy debates on SocialSecurity, pensions and health care.

During his tenure as president of the UMWA, Trumka led two major strikes against the nation's coal companies - Pittston in 1989 and the Bituminous Coal Operators in 1993 - that resulted in significant advances in employer-employee cooperation and the enhancement of mine workers' job security, pensions and benefits.

The UMWA victories in those disputes were assisted by international campaigns that Trumka developed. As chairman of the committee on strategic approaches, he was instrumental in developing tactics to bring the pressure of international labor to bear on multinational conglomerates involved in disputes with U.S. workers. He also serves on the executive boards of the International Miners Federation and the International Confederation of Free Trade Unions, and played a key role in organizing a new global coalition of coal miners' unions in five countries.

Trumka is a third-generation coal miner from Nemacolin, Pennsylvania, who began working in the mines at the age of 19. He joined the UMWA Local 6290, serving as safety committee chairman. He soon became an activist in the Miners for Democracy reform movement.

In the early 1970s, he graduated from Pennsylvania State University and later earned a law degree from Villanova University Law School. After serving four years on the UMWA legal staff during the reform administration of Arnold Miller, he returned to the mines in 1978. He was elected to the union's executive board in 1981. He was first elected president of the union in 1982 and in December of 1995, Mr. Trumka became President Emeritus of the United Mine Workers of America.

He has received numerous awards, including the 1995 Gompers-Murray-Meany Award from the Massachusetts AFL-CIO and the Labor Responsibility Award from the Martin Luther King, Jr. Center for Nonviolent Social Change in 1990.

#####

David A. Smith
Director, Public Policy Department
AFL-CIO

Mr. Smith is director of the Public Policy Department, AFL-CIO. The department's work covers a wide range of domestic and international concerns with a special emphasis on economics.

Prior to joining the AFL-CIO, Mr. Smith served as senior deputy budget director and as commissioner of economic development for the City of New York. Mr. Smith spent most of the 80's in Washington as an aide to Senator Edward M. Kennedy, and as a senior economist for the Joint Economic Committee.

Mr. Smith has taught economics and public policy at the University of Massachusetts and the New School for Social Research, and he is a senior fellow at the Twentieth Century Fund.

September 1998

Summary of AFL-CIO Policy Statement

"...The U.S. should not be asked to shoulder an unfair level of responsibility that would jeopardize our economy and the millions of industrial and transportation jobs it supports . . . . Companies wishing to avoid emission control requirements will simply move their operations to countries that were able to evade the provisions embodied in the Berlin Mandate."

- 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 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 . . . [t]he entire economy would be placed at risk with little or no environmental benefit."

- 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.

- "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 reducing commitments."

- An uneven playing field will cause the loss of high-paying U.S. jobs in the mining, manufacturing, transport and other sectors. These taxes are highly regressive and will be most harmful to citizens who live on fixed incomes or work at poverty-level wages.

Conclusion: "[W]e as organized labor find it amazing that harsh, arbitrary flat-rate reductions in greenhouse gas emissions are being proposed and contemplated without regard to their impact on working people."

THE KYOTO CLIMATE CHANGE PROTOCOL

Transportation labor is deeply concerned with the worker and community dislocation that will result from the eventual implementation of a global climate change agreement reached in December in Kyoto, Japan. This agreement sets legally binding targets on emissions of six greenhouse gases for industrialized countries including the United States, but exempts developing and emerging nations such as China from meeting any emission reduction targets whatsoever. The effects of this deal on American jobs would be severe while any positive impact on the global environment is negated by the lack of participation by developing nations.

At TTD's fall 1997 executive committee meeting, transportation labor called on the Clinton Administration to walk away from a deal in Kyoto unless it contains "explicit and enforceable directives to be followed by all nations, not just the United States and the other leading industrialized economies." ***(TTD Resolution 8-97(o), 10/7/97)*** The reality is that the deal struck in Kyoto falls well short of meeting the conditions set forth by TTD and separately by the AFL-CIO, whose Secretary-Treasurer, Rich Trumka, led a labor delegation to Kyoto.

At the January 1998 meeting of the AFL-CIO Executive Council, the labor movement declared that the proposed climate change agreement "fails to meet the standards for a treaty as set forth and adopted unanimously by the AFL-CIO Executive Council's 1997 resolution and Convention statement." Specifically, the AFL-CIO called upon President Clinton to "refrain from signing" the Kyoto Protocol and instead to "lead a serious conversation with the American people in which he presents the legislative and regulatory plans, expected economic effects and projected environmental outcomes that his Administration anticipates as a result of implementing their current strategy."

We are prepared to explain to policy leaders at every level the difficulties workers face when environmental policy initiatives fail to address worker and community economic concerns. We will insist upon policies and programs in relation to reduced carbon emissions that protect economic viability, that can be measured and enforced and that honestly deal with worker dislocation. We do not oppose rational solutions to reduce greenhouse gas emissions, but we will not support policies that negatively impact American workers in every sector of our economy while allowing less developed nations — including the worst polluters of the next century — to avoid their own future responsibilities.

THEREFORE, BE IT RESOLVED:

■That TTD will continue to oppose the unfair global climate Protocol developed in Kyoto. Japan and speak out to Members of the Senate if that legislative body takes up ratification of this treaty; and

■That TTD will urge the Clinton Administration to disclose its plans to mitigate job loss and economic dislocation caused by implementation of a global climate deal and to convince developing nations to sign-on to the Kyoto Protocol in measurable and enforceable terms.

Resolution No. 11-98(w)
(Adopted March 17, 1998)

REJECT THE "BERLIN MANDATE" IN KYOTO, JAPAN

More than a million jobs will be lost following a conference this December in Kyoto, Japan if the United States agrees to the Berlin global climate change treaty. As drafted in December 1995, that proposal would impose a disproportionate burden on the major industrialized countries including the United States by establishing legally binding targets and timetables for greenhouse gas emission reductions for the post-2000 period. Unfortunately, the Berlin product does not impose the same requirements on developing countries and emerging powers in Asia and China.

The agreement was generated from concern that emission of greenhouse gases might contribute to increases in global average temperatures and cause adverse changes in the world's climate. However, there is no evidence that reductions of greenhouse gas emissions in industrial countries alone, as the ill-advised Berlin Mandate requires, can prevent climate change. It is imperative, therefore, that any agreement aimed at addressing global warming concerns contain explicit and enforceable directives to be followed by all nations, not just the United States and the other leading industrialized economies.

The fact is that most of the world's future growth of greenhouse gas emissions will come from high-growth countries like China, Mexico and Korea. With rapid industrialization, these countries will be responsible for well over half of the planet's greenhouse gas emissions as early as 2015. China alone, for example, will account for a 25 percent increase of total emissions of carbon dioxide by 2020 and yet does not have any mandates to fulfill in the treaty as drafted in Berlin. Just as troubling is the fact that failure to include all nations will do little to stabilize or reduce worldwide atmospheric concentrations of carbon. Such a treaty will, however, provide an incentive for companies wishing to avoid emission control requirements to move production, jobs and pollution from the United States to other countries.

It is becoming increasingly clear that whatever global agreement, if any, is reached will have a profound effect on job security and the incomes of American workers. DRI/McGraw Hill, an independent economic forecasting firm used by the Bush and Clinton Administrations to conduct climate policy analysis, found that a policy to stabilize carbon emissions at 1990 levels by 2010 will cause the loss of nearly 1.6 million U.S. jobs by 2005. A policy aimed at reducing emissions 10 percent below 1990 levels by 2010 was forecast by DRI to result in the loss of 2.3 million U.S. jobs by 2005.

Every industry, the study says, that uses electricity, produces and consumes fossil fuels, operates boilers, drives trucks or cars, or transports people or goods by rail, air or bus has a great deal at stake in this debate. The coal industry alone will be devastated, and numerous other industries hard hit — 110,000 jobs lost in the transportation and public utility sector; 199,000 jobs lost in the manufacturing sector; 426,000 jobs lost in the services sector; and 182,000 jobs lost in state and local government sectors. Regardless of which economic models are used to analyze job impact, few dispute that job loss will be severe in certain sectors of our economy.

A recently released study conducted by the Economic Policy Institute (EPI) confirmed these results, and added that workers' wage growth will be cut in half over the next two decades. Real wages are expected to decline, and by 2020 will be only 3-4 percent higher than they were in 1995. The entire economy would be placed at risk with little or no real benefit to the environment.

In the context of discussions regarding remedies for anticipated economic and job dislocation, it is clear that we must provide transitional assistance to workers and communities hardest hit by a global warming treaty, if one is signed and approved. We note that the transitional assistance programs traditionally deployed in the aftermath of environmental policy and regulatory initiatives or trade agreements have been inadequate at best and unattainable for scores of workers victimized by American policy decisions that have resulted in undermining entire job sectors or inspiring the relocation of U.S. production to lower wage countries. That is not to say that these programs are not necessary -- we simply state that their current construct will not satisfy the needs of workers and communities faced with the range of economic effects from a global climate change treaty.

The Clinton Administration must be prepared to disclose at the front-end its plans to mitigate job loss and economic dislocation which may be caused by a global climate change deal. Separately, it must commit to a process to fully fund and implement any programs and mechanisms aimed at blunting the agreement's anticipated impact on workers and their families. Absent these commitments, transportation labor believes the President should be prepared to walk away from signing any global warming deal in Kyoto or at future international negotiations.

In June, Senators Robert Byrd (D-WV) and Chuck Hagel (R-NE) introduced a non-binding resolution urging the United States not to sign the treaty in Kyoto if it exempts developing countries from greenhouse gas emission reductions and, more importantly, if it would result in serious harm to the economy of the United States. The resolution passed 95-0, sending a clear and powerful message to the Clinton Administration and government leaders worldwide that the Berlin Mandate is unacceptable to the U.S. Senate which is responsible for the treaty's eventual approval.

At the AFL-CIO Convention in Pittsburgh last month, the labor movement declared that it must protect America's industrial base "with *no* movement of jobs or pollution to other countries because of perverse incentives" as a result of a flawed global climate treaty. The Federation also adopted four important principles in the context of all current and future environmental challenges including global climate change:

Principle of Economic Rights asserts that the labor movement must protect American worker and community economic interests as environmental challenges emerge.

Principle of the Highest Common Denominator acknowledges that community and environmental interests are an extension of our members' workplace; thus, the labor movement must find "the highest level of agreement on environmental solutions."

Principle of Just Transition makes it an imperative that in dealing with environmental and economic issues the labor movement must "plan for effective, smooth transition for all parties affected by environmental change."

Principle of Common Sense requires a go-slow, sensible approach in dealing with environmental policy challenges, but with a purpose and with the widest possible input within the labor movement and its allies.

These principles speak to the need for organized labor to become more engaged in and responsive to the challenges America faces in protecting its workers' interests as proposals on difficult domestic and international environmental challenges are considered. Transportation labor supports these principles and, most importantly, is committed to engaging policy leaders at every level on the difficulties workers face when environmental policy initiatives fall short of dealing with worker and community concerns in terms which can be measured and enforced, and which honestly deal with the issue of dislocated working families.

We have long supported the Administration in its efforts to enforce the nation's environmental laws and to ensure adequate funding for research, enforcement and clean-up. Although we do not oppose reasonable solutions to greenhouse gas emissions concerns, we cannot support policies that negatively impact American workers in every sector of our economy while allowing less developed nations to avoid much of the responsibility.

THEREFORE, BE IT RESOLVED:

■That TTD will urge the Clinton Administration to renegotiate the terms of the "Berlin Mandate" prior to signing any treaty governing global climate change;

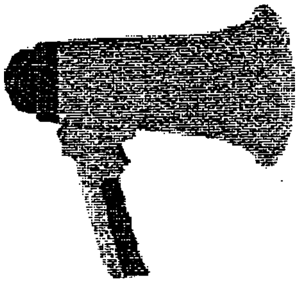
■That TTD will insist that the Clinton Administration and Congress reject any treaty regarding global climate change that exempts developing countries from whatever mandates are eventually imposed on the U.S.;

■That TTD will work collectively against a treaty that would cause mass unemployment and harm the competitiveness of the economy; and

■That TTD will work with the AFL-CIO to protect against unfair international environmental agreements and to advance the principles defining the labor movement's engagement on these issues.

Resolution No. 8-97(o)
Submitted by: UMWA and UTU
(Adopted October 7, 1997)

FOR MORE INFORMATION CALL: ***202•628•9262***



Americans Speak Out

Labor Unions

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

Transportation Trades Department of the AFL-CIO

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

Industrial Union Department, AFL-CIO

(Resolution on U.N. Climate Change Negotiations, adopted by IUD November 13, 1996) -- The exclusion of new commitments by developing nations under the Berlin Mandate will create an uneven playing field in favor of developing nations such as China, India, Mexico and Brazil in the competition for jobs and economic growth. Such an uneven playing field will cause the loss of high-paying U.S. jobs in the mining, utility and manufacturing sectors. Processes which generate carbon emissions will be transferred to the developing world along with the jobs, thus providing little or no real benefit to the environment. The Industrial Union Department of the AFL- CIO calls upon the Congress and the President of the United States to refrain from entering into or ratifying any treaty amendment or protocol that causes the loss of U.S. jobs; and that the U.S. renegotiate the Berlin Mandate to ensure that all nations have appropriate commitments to reduce carbon emission to prevent the transfer of jobs and emissions to the developing world.

- **AFL-CIO Executive Council**

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

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

Statement by Bill Cunningham to the FCCC Ad Hoc Group on the Berlin Mandate Bonn, Germanv, March 5, 1997. (On behalf of the AFL-CIO, the Australian Council of Trade Unions, the International Federation of Chemical, Energy Mine and General Workers' Unions.) " ... we as organized labor find it amazingly that harsh, arbitrary flat rate reductions in greenhouse gas emissions are being, proposed and contemplated without regard to their impact on working, people. It is unquestionably the case that harsh uniform reduction targets will impose high costs, indeed punishments, on particular regions and particular countries. And these countries will not just be developed nations in Annex 1. In a global market place, the impacts of what is done by developed countries will flow through to many developing nations. There is ample evidence that many developing nations will suffer adversely from uniform action by the developed world. That such flat rate reductions are being contemplated is even more galling when we find that there is no scientific evidence that flat rate reductions by the developed world will solve the greenhouse problem. In fact it might even exacerbate it. Energy-efficient industries may be closed down in some countries to be replaced by less-efficient industries in others. If the enhanced greenhouse effect is a global environmental problem that must be addressed, and there seems consensus here that it is, then measures to address it must also be global. The burden must also be shared, and shared equitably. If there is industry restructuring, that must be done, then labor will do its share. And let there be no mistake, whatever happens with respect to greenhouse, it will be working people who finally pay, most of the cost. Whatever taxes Governments raise, whatever regulations they impose. whatever measures business introduces - it will be working, people who finally must implement the changes and pay much of the cost. We therefore urge you to exercise caution. The global environment is at stake here today, but not only the environment. And not only business profits or government revenues either. You hold in your hands the power to destroy the jobs, incomes and livelihoods of millions of working people. And beyond them, the many millions more in their families and communities, and the service industries dependent on them. The precautionary principle is one that is often cited here, but all-too-often only with only with regard to science and the environment. But people do not recover rapidly either from reckless decision making. Industries and people must not be arbitrarily penalized for limited and possibly negligible environmental benefit."

United Mine Workers

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

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

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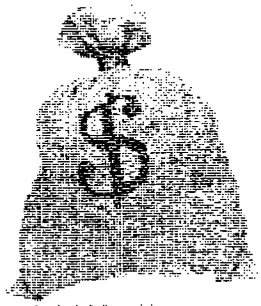

Economic Concerns

ECONOMIC CONCERNS

How the Kyoto Treaty Would Affect Us

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

How the Treaty Would Affect the Economies of Nations

How the Treaty Would Affect the Average American

Frequently Asked Questions

The Government's Abandoned Economic Models

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

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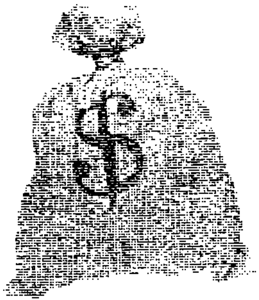

Economic Concerns

Frequently Asked Questions

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

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

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

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

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

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

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

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

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

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

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

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

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

How the Treaty Would Affect the Economies of Nations

How the Treaty Would Affect the Average American

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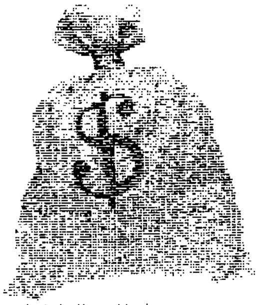

Economic Concerns

How the Treaty Would Affect The Average American

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

Consumer Goods	**Price Increase**	**%Increase**
Refined petroleum products -including gasoline/home heating oil	$0.50 per gallon	38% / 48%
Electricity	1.93 cents/kWh	23%
Natural Gas	$2.25 per MCf	46%

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

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

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

How the Treaty Would Affect the Economies of Nations

Frequently Asked Questions

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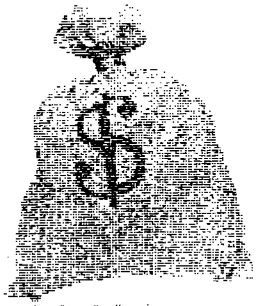

Economic Concerns

How the Treaty Would Affect the Economies of Nations

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

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

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

How the Treaty Would Affect The Average American

Freqently Asked Questions

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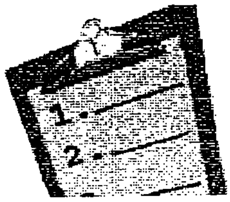

Why We're Concerned

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Oil, Chemical and Atomic Workers International Union

OCAW

Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. resume	[Personally Identifiable Information] [partial] (2 pages)	09/00/1998	b(6)

COLLECTION:

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BIOGRAPHICAL SKETCH

ROBERT E. WAGES

Bob Wages was elected to a third three-year term as President of the Oil, Chemical and Atomic Workers International Union in August 1997. Prior to his first term election as President in 1991, he served as an International Vice President from December 1983 and has been a member of OCAW since his first employment in the oil industry as a summer laborer in 1970. Born in (b)(6) he followed his father and several other family members as an employee at the Phillips Petroleum Company refinery.

While employed by Phillips Petroleum Company, Wages pursued his education and is a 1972 graduate of the University of Kansas. He then obtained his law degree from the University of Missouri at Kansas City in 1975. He was elected President of OCAW Local 5-604 and served in that capacity in 1972-73.

Wages was appointed as a Staff Attorney to the International Union's legal staff on August 1, 1976, by then-President A. F. Grospiron and was promoted to Assistant General Counsel on December 1, 1977. As an attorney for the International Union, Wages was instrumental in the development of legal strategies utilized in the right-to-know campaign initiated by OCAW.

In August 1981, he was appointed by then-President Robert F. Goss to the position of Assistant to the President and served in that position until he was appointed by the International Executive Board as an International Vice President. He was subsequently re-elected as Vice President at the 1985 and 1988 International Conventions.

Among his responsibilities and activities as Vice President, Wages coordinated the oil company councils, supervised OCAW's corporate campaign activities, supervised health and safety policy development, oversaw the Hazmat Grant Program, and was responsible for the organizing program of the International Union. He also covered the atomic energy sector of the Union and the mining and milling groups. As President, he maintains these responsibilities, as well as his administrative duties.

He has been a member of the AFL-CIO Executive Council since 1995; and, in the past, has served in various capacities as a representative of the AFL-CIO in domestic and international forums.

Wages resides in Lakewood, Colorado.

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United Mine Workers of America

UMWA

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

Born to Evelyn and Cecil E. Roberts, Sr., on (b)(6) Roberts grew up on Cabin Creek in Kanawha County, WV. His great-uncle, Bill Blizzard, was a legendary organizer during the West Virginia mine wars of the 1920's and a UMWA district president under John L. Lewis. Both of his grandfathers were killed in the mines.

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

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

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

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

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

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

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

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

In addition to serving as UMWA president, Roberts has also held office or worked on behalf of several other organizations over the years, including serving on the Committee for Employer Support of Veteran Employment and the West Virginia Employment Opportunities and Economic Development Commission. In 1985, he was elected president of the National Council of the Holmes Safety Association. He has been elected General Vice President of the National Council of Senior Citizens by their Executive Board. He has also been appointed to serve as a member of the West Virginia University Institute for Labor Studies and Research Advisory Board in 1996 and he is a member of the American Legion, and a lifetime member of the VFW.

In 1987, he graduated from West Virginia Technical College, and in 1997, he received an honorary Doctorate in Humanities from West Virginia University of Technology.

In 1996, he reopened the UMWA's National Agreement for the first time in the union's history and made significant improvements in the wage agreement.

In 1998, he negotiated a new National Agreement that was ratified by the highest percentage in the Union's history.

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

Summary of United Mine Workers Policy Statement[1]

The UMWA believe that "[b]ased on extensive economic analysis, we have become convinced that the effects of the protocol go far beyond impacts on the coal industry. We believe that the Kyoto Protocol will have serious negative effects on U.S. jobs, economic growth, family incomes and trade, but will have almost no positive effects on carbon concentrations."

- Carbon permit prices will act like a carbon tax on the on the economy. Energy prices will rise and costs will be passed along to the consumer.

- Investments in achieving the required reductions in carbon emissions will require substantial investments which will result in the diversion of funds from savings or investment in housing, education or health care.

- Numerous draft analyses, including some by the Clinton Administration indicate that over a million jobs could be lost due to the Kyoto Protocol. Among those most affected are coal miners, utility workers, railroad workers, aluminum workers and cement workers.

- This would "lead to a severe reduction in wage growth, further exacerbating the widening disparity of wealth in America.

- The environmental Impact of the Kyoto Protocol is insignificant. "[O]ver a million workers could lose their jobs, and the nation could spend over $100 billion per year for a treaty that will reduce carbon dioxide concentrations by only one part per million in 2010."

- The coal industry accounts for 56% of electricity generation. Natural gas is the only viable replacement fuel and it costs twice as much as coal. In addition, the coal industry operates in rural communities. The burdens of a reduction of coal use unfairly impacts the coal miners and communities that depend on the industry for economic sustenance.

Conclusion: "The question for the American public is whether the benefit of this policy--a decline in carbon concentrations of about one part per million--is worth over a million lost American jobs and over $100 billion per year in lost economic output. The UMWA thinks it is not."

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[1] Presented by Cecil Roberts, President United Mine Workers of America before the Committee on Government Reform and Oversight, Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs U.S. House of Representatives June 24, 1998.

Hume
LBA
Reviewer

Statement of
Cecil Roberts, President
United Mine Workers of America
before the
Committee on Government Reform and Oversight
Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs
U.S. House Of Representatives
June 24, 1998
The Economic Consequences of Climate Change

Mr. Chairman and members of the subcommittee, I appreciate the opportunity to share with you our views on the economic consequences of the Kyoto Protocol[1]. The United Mine Workers of America became involved in the climate change debate because of concerns about the effect of the treaty on coal miners' jobs. We have participated in every negotiating session at the United Nations for the past several years. The UMWA has spent a considerable amount of time trying to understand the economic implications of the Kyoto Protocol. Based on extensive economic analysis, we have become convinced that the effects of the protocol go far beyond impacts on the coal industry. We believe that the Kyoto Protocol will have serious negative effects on U.S. jobs, economic growth, family incomes and trade, but will have almost no positive effects on carbon concentrations.

The Kyoto Protocol calls upon the United States to reduce emissions of a basket of six greenhouse gases 7% below 1990 levels by 2008-2012. Greenhouse gases subject to controls under the protocol are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulfur hexafluoride (SF_6). Carbon dioxide comprises about 85% of the volume of U.S. emissions of greenhouse gases, although

1 Data presented in this testimony are derived from "The Impact of Meeting the Kyoto Protocol on Energy Markets and the Economy," June, 1998, prepared for the UMWA-BCOA Labor Management Positive Change Process (LMPCP) Fund by Standard & Poor's DRI.

some of the other gases have higher global warming potentials. The Kyoto agreement contemplates the use of market-based mechanisms such as emissions trading among Annex I countries[2], Joint Implementation (JI) projects among developed countries and a Clean Development Mechanism (CDM) for project-based emission reductions in developing countries to minimize the cost of compliance.

The protocol implies that the United States will have to reduce its emissions of greenhouse gases by approximately 500 million tonnes of carbon equivalent in the 2008-2012 period. This represents a reduction of about 30% from business as usual in the compliance period. Assuming that the cap on emissions remains through 2020, emissions would have to be reduced about 35% below Base Case levels. Although the post-2012 obligations are undefined, if the U.S. maintains this emissions target, reductions will be 640 million tonnes by 2020. The U.S. could meet its obligations through a combination of lower fossil fuel use, reductions of gases with higher global warming potentials, enhancement of sinks, emissions trading with other Annex I parties, JI projects, and through CDM projects with developing country parties.

Although the rules have not yet been written for the market-based mechanisms, the analysis we have conducted assumes a generous amount of U.S. reliance on these mechanisms. Table 1 below shows the assumed U.S. reductions and the offsets from the other market mechanisms. The analysis assumes that the U.S. must reduce emissions by an average of 497 million tonnes of carbon equivalent in 2008-2012. Of this total 207 million tonnes, or about 42%, comes from other gases, sinks, trading, JI and CDM projects. The remainder, about 290 million tonnes, is derived from domestic actions, such as energy conservation and switching away from carbon-intensive fuels.

There are several factors that lead us to believe that these assumptions are generous. First, the marginal cost of control in the United States is likely to be less than that of other Annex

2 Annex I countries include the United States, Canada, Australia, New Zealand, Japan, nations of the European Union, and emerging economies in eastern Europe and the former Soviet Union.

I countries, since the U.S. is relatively less energy efficient than Europe and Japan. Thus, these countries are likely to set the clearing price for trading emissions. Obviously, if Japan or the EU bids up the price of allowances above the cost of domestic control then reductions will occur domestically. Clearly, Japan is moving ahead with its plans to trade. Russian President Boris Yeltsin and Prime Minister Ryutaro Hasimoto signed an agreement in April to begin feasibility studies on twenty joint implementation projects.

Second, several parties have expressed concern about the role of these market-based mechanisms in compliance. Chairman Estrada[3], the European Union, the Group of 77 and China, and environmental organizations all have recently made public statements that indicate they are uncomfortable with the notion that the U.S. may achieve significant portions of its reductions off-shore. At the most recent U.N. negotiating session in Bonn, Germany earlier this month it became clear that these parties intend to restrict the amount of trading that can be used to comply with the reduction obligations. While the U.S. took the position that there should be no limits on trading, the EU tabled a paper that would require that the majority of reductions occur domestically. The Group of 77 and China took the position that trading and other flexible mechanisms were intended under the protocol to be a supplement to domestic action, not a substitute for domestic reductions. Chairman Estrada expressed his concern about creating a "commodity" of pollution rights. And finally, a number of environmental organizations took the position that trading should be limited to 10% to 30% of any country's reduction effort.

As I said our analysis assumes considerable use of trading and the other flexible mechanisms to achieve U.S. compliance. This assumption may be overly optimistic, because if this coalition forces a limitation on the amount of emissions trading that can be used to achieve compliance, the costs in the U.S. will escalate dramatically.

3 Ambassador Raul Estrada Oyeda, the representative of Argentina, chaired the negotiations that led to the Kyoto Protocol.

Table 1

U.S. Required CO_2 Reductions and Offsets

(Million Tonnes of Carbon Equivalent)

Year	2008	2009	2010	2011	2012	2015	2020
Gross Reductions	458	478	497	519	531	591	643
Other Gases	-20	-20	-20	-20	-20	-20	-20
Sinks	-40	-40	-40	-40	-40	-40	-40
Trading & JI	-132	-127	-121	-113	-112	-98	-79
CDM	-23	-24	-25	-26	-27	-30	-32
Net Reductions	243	267	291	315	333	404	471
Percent of Gross	53%	56%	59%	61%	63%	68%	73%

Where Will the Offsets Come From?

Only the former Soviet Union states and eastern European nations have immediately available excess emissions, with Russia and Ukraine holding the largest share. This results from the collapse of the economies of these countries following the breakup of the Soviet Union. Environmental groups have dubbed these excess allowances "hot air" and are pressuring the delegates to prohibit trading of such hot air emissions. Our analysis estimates that these countries combined will have 193 million tonnes of excess emissions available for trading in 2008, declining to 34 million tonnes in 2020. Therefore the selling parties will be the nations of the former Soviet Bloc, particularly Russia. The buying nations will include the U.S., Canada, Australia, New Zealand, Japan, and possibly the nations of the European Union.

Interestingly, Russia issued a draft analysis in Bonn that speculated that it may have no immediately available excess emissions for trading. The Russian paper stated that emissions were 3.04 billion tonnes of CO_2 equivalent in 1990, falling to 2.15 billion tonnes in 1994. The paper goes on to state that "in 2010, under extensive economic recovery, emissions will return to about 3 billion tonnes CO_2-equiv./yr. Thus, all Russian emission trading potential may be eliminated by business as usual extensive development." Whether this proves to be factual or is just a preliminary negotiating posture to bid up the price remains to be seen.

Carbon Permit Prices and Energy Prices

Carbon permits will act like a carbon tax on the economy. Whether imposed directly by the government in the form of a tax or by the market in the form of permit prices, end-user energy prices will rise, and the increased costs of doing business will ultimately be passed on to consumers. Table 2 below shows the percentage price increases for several important forms of energy.

Our economic analysis assumes that the carbon permit program is gradually phased in beginning in 2000 to ease the price shock to the economy. Carbon permits are granted to businesses by the federal government, rather than auctioned. The carbon permit price necessary to achieve the required reductions (in 1997 dollars) is $100-130 per tonne, if the assumptions outlined above for trading, JI, CDM, sinks and other gases are achieved. If these market mechanisms are restricted by the treaty, carbon permit prices are likely to increase to the range of $150-200 per tonne, and end-user energy prices will increase proportionately.

Table 2

Real Energy Prices

Percent Above Base Case

Year	2008	2009	2010	2011	2012
Gasoline	15.7%	17.2%	18.2%	18.8%	19.6%
Natural Gas	24.6%	26.1%	27.9%	30.0%	31.2%
Electricity	32.2%	34.5%	36.6%	38.6%	40.0%

All forms of fossil energy will experience price increases. Gasoline prices are projected to increase 21-27¢ per gallon over the base case in the 2008-2012 period. Residential natural gas prices are projected to be $1.47-1.89 per million Btu higher in 2008-2012, and electricity prices are projected to be 1.82-2.41¢ per kilowatt-hour higher than the base case.

The Economic Cost of Kyoto

Achieving the required reductions in carbon emissions will require substantial investments by both businesses and consumers to improve energy efficiency and to substitute lower-carbon sources of fuels for higher-carbon fuels. These investments will result in the diversion of funds from savings or investment in other things, such as housing, education or health care.

Numerous economic analyses, including some draft analyses by the Clinton Administration, indicate that efforts to meet the obligations arising out of the Kyoto protocol will be quite costly. Over a million American jobs could be lost, and the losses will occur in every region of the country. Among those most affected are coal miners, utility workers, railroad workers, aluminum workers, paper workers and cement workers. Nearly every sector of the economy, including service industries and state and local governments, could be affected. The loss of high paying mining and manufacturing jobs, along with the general decline in other jobs, will lead to a severe reduction in wage growth, further exacerbating the widening disparity of wealth in America. And greenhouse gas reduction efforts are likely to increase the U.S. trade deficit as exports of U.S. goods decline and imports increase.

The loss of real GDP would be significant under the proposed Kyoto Protocol. Based on the trading assumptions outlined above, the decline in GDP would be about 1.2% on average in the 2008-2012 compliance period. This represents economic losses in excess of $100 billion per year, and cumulative losses from 2001 to the end of the initial compliance period in 2012 would be about $1.1 trillion. Cumulative losses would continue to grow beyond the initial compliance period, assuming that the emissions cap is maintained post-2012. While 1.2% may sound like a small price to pay, one can get some sense of the magnitude of these losses when measured against common federal expenditures. For example, the U.S. government spends a similar amount each year on transportation, community and regional development, education, training, employment and social services. We spend only about twice that amount each year on Medicare. And it is about half of what we spend each year as a nation (combined federal, state and local expenditures) on elementary and secondary education. Clearly, the costs of Kyoto are large and significant.

Another way to measure the magnitude of the economic losses is to consider them on a per-person or per-household basis. Our analysis indicates that GDP losses would exceed $400 per person in 2010 and GDP losses per household would be nearly $1,200 in the same year. Cumulative GDP losses from 2001 to the end of the initial 2012 compliance period would be over $4,000 per person and nearly $12,000 per household.

As energy prices increase and our economy slows, jobs will be lost. Our analysis indicates that implementation of the Kyoto Protocol would result in the loss of nearly 1.3 million jobs in 2005. Job losses are expected to occur in every region of the country and in every sector of the economy, with the exception of the federal government. From a regional perspective, the interior regions of the country will be hit the hardest. This is because of their heavy reliance on fossil fuel production and consumption. For example, while coal is used to generate about 56% of electricity nationwide the share of coal-fired electrical generation is much higher in the nation's heartland. In addition, the interior regions of the country tend to rely much heavier on energy-intensive industries for economic activity than the coastal regions. Therefore, the burden of the reduction obligations fall more heavily on the interior than on the coasts. Nonetheless, every region of the country will experience a loss of economic output and jobs.

Job losses are also expected to occur in every sector of the economy. Industries associated with high-carbon fuels such as coal mining and coal-fired electricity are hit especially hard, but the impacts are much broader. Job losses will occur in construction, manufacturing, transportation and public utilities, services and state and local governments.

As job losses occur and wage growth is constrained, families will lose income. Our analysis indicates that the nation will lose in excess of $115 billion per year in real disposable income. Over the initial 2008-2012 compliance period, there would be a cumulative loss of $600 billion in lost real disposable income.

One aspect of this debate that needs much more attention is the regressive distributional effects of higher energy prices. Energy taxes are highly regressive by nature. Regardless of income, families must heat and cool their homes, cook their food, wash their clothes and travel to work. For example, the U.S. Department of Energy estimates that a family with an annual income of less than $10,000 still spends nearly $1,000 per year in energy costs in the home. Energy taxes, or equivalent carbon permit schemes, will be crushing for low-income workers and seniors living on fixed incomes. There needs to be more analysis of the distributional effects of greenhouse gas reduction policies.

The Environmental Impact of Kyoto

Despite the substantial economic costs, the Kyoto Protocol will accomplish almost nothing environmentally. Dr. Bert Bolin, former head of the U.N. Intergovernmental Panel on Climate Change (IPCC), recently wrote in Science magazine that if we do nothing global concentrations of carbon dioxide will be 383 parts per million (ppm) in 2010. With full implementation of the Kyoto Protocol, carbon dioxide concentrations will be 382 ppm. In other words, over a million workers could lose their jobs, and the nation could spend over $100 billion per year for a treaty that will reduce carbon dioxide concentrations by only one part per million in 2010.

The reason that Kyoto will have almost no effect on carbon concentrations is because nations that will soon emit more than half of the world's greenhouse gases are exempt from any reduction obligation under the treaty. The fast-growing developing economies in China, India, Mexico and elsewhere will offset reductions made in the United States and other Annex I countries.

The Role of Developing Countries

Mr. Chairman, as you know the U.S. Senate unanimously adopted last year Senate Resolution 98, which called upon the President not to accept a treaty that did not include commitments from developing countries. President Clinton last October said that the U.S. would not take on legally binding emission reduction obligations unless there was "meaningful participation form key developing countries." The Kyoto Protocol contains no such commitment from developing countries.

No progress was made on this issue in the recent Bonn meeting. Developing countries, led by China and the G-77, vociferously opposed including any discussion of developing country commitments on the agenda for the Buenos Aires meeting of the Conference of the Parties (COP-4) this fall. China even opposed any discussion of voluntary commitments by developing countries. A provision for such voluntary commitments was deleted from the Kyoto Protocol during the final days of negotiations last December, and it is clear that China intends to keep it off the table.

Coal and the American Economy

Mr. Chairman, if I might I would like to spend a few moments talking about the issue that led us to become involved in the international climate change negotiations--the effect on the coal industry. Almost every analysis we have seen concludes that the coal industry will take a severe hit from efforts to reduce greenhouse gases. A number of environmental organizations have expressed the view that the U.S. could reduce greenhouse gas emissions "simply" by replacing coal in our electric utility grid. While this is true in theory, it could not be accomplished simply, or without significant cost. Coal provides the fuel for some 56% of U.S. electricity generation, by far the single largest source of electricity. In some regions of the country, coal provides about 75% of electricity generation. Replacement of this amount of generating capacity would take an enormous amount of capital investment, and create issues of stranded costs that would dwarf the ongoing debate on electricity deregulation. Aside from the capital costs, where would we find the fuel to replace more than half our electricity output? Nuclear power is unable to take up the slack since most nuclear plants operate at high capacity. Moreover, many nuclear power units are nearing the end of their operating licenses. Hydro power is unlikely to pick up any demand since we have no ability to expand hydro generation. Indeed, in western states there are attempts to tear down hydro-electric dams and let the rivers go back to their original state. Other renewable technologies, like wind and solar power, have made little inroads into the national electricity grid.

That leaves natural gas as the only reasonable substitute for coal. But we must question how reasonable. Natural gas currently costs about twice as much as coal. While coal prices are stable and fairly predictable, that may not be the case with natural gas. Wholesale conversion from coal to gas would raise questions of both supply and price. Do we have enough natural gas to make such a conversion? Would we be trading a domestic supply for one that inevitably will lead to greater imports? If we have enough gas, what will be the price in the short run and the long run?

Perhaps a more basic question on the minds of coal miners is what happens to them. What happens to their families and their communities should the nation decide that the product they produce is no longer acceptable for electricity generation. Coal mining is a unique industry. It is located in isolated rural areas of the country that have little or no alternative employment opportunities. For many of these communities, coal mining defines the term "one-industry town." If the coal mining jobs disappear, the engine that drives the local economy comes to a halt. The burdens of these policies will not fall evenly across all regions or industries. But we know that coal miners and the communities that depend on them for economic sustenance will bear a heavy burden. I think coal miners and other workers deserve an answer to their question. What happens to them?

These are questions that we believe the Congress and the American people would want to answer before we embark on a program to replace our most abundant domestic source of energy. Unfortunately, it appears that the Administration intends to implement the treaty without the constitutional obligation of submitting the treaty to the U.S. Senate for ratification. A variety of activities are underway or planned by the EPA to force utilities to switch away from coal. We believe that it is wrong to attempt to achieve backdoor implementation of a treaty that the Administration admits could not survive Senate ratification. The UMWA does not believe that the President should sign the Kyoto Protocol. However, if the Administration intends to implement the treaty, it should submit the treaty to the Senate so the American people can express their judgment on its merits.

Conclusion

Mr. Chairman, the White House has been highly critical of those who have expressed concern about the economic cost of the Kyoto Protocol. We all know that economic models--like the computer models used to project future climate trends--are limited in their ability to predict the future. We do not claim to be prescient, nor do we think that our analysis represents the only reasonable set of likely economic outcomes from compliance with the protocol. We do believe, however, that the analysis is an honest attempt to estimate the costs, not one based on overly optimistic or pessimistic assumptions.

In testimony before the House Science Committee, Dr. Janet Yellen, Chair of the White House Council of Economic Advisors, recently testified that the Administration believes that the Kyoto agreement can be implemented at a very low cost to the economy. This is based on an assumption that 85% of the emission reductions contemplated in the protocol can be achieved through sinks, other gases and purchases of emission credits off-shore. Our analysis indicates that the costs may be much more substantial.

Surprisingly, it appears that in the absence of assumptions about the role of trading and other market mechanisms, the White House analysis and ours come to similar conclusions. When we utilize assumptions similar to those used by the Administration, the model yields similar results. In other words, it appears that we both come to approximately the same economic results before making assumptions about how much of the reduction must be achieved domestically and how much can occur off-shore. This is a guess on our part, however, because the White House will not release its underlying economic studies.

The real question is whether the White House assumptions or those used in the UMWA-BCOA analysis are more reasonable. Having heard the debate on the role of trading and flexible mechanisms at the most recent negotiating session in Bonn, it is hard for us to accept that the White house assumptions represent a reasonable expectation of the outcome of COP-4 in Buenos Aires. As I said earlier, there are growing indications that the EU, the G-77 and China along with environmental groups will seek to limit significantly the role that these mechanisms can play in compliance. The more limits are placed, the higher the cost to our economy because the reductions will necessarily be made domestically, arguably at a higher cost. For example, if trading and other mechanisms are limited in our analysis to about 25% of compliance, the costs increase by 50% or more.

Vice President Gore, in his book *Earth in the Balance,* wrote extensively about efforts to combat climate change. At the time he said:

> "Minor shifts in policy, marginal adjustments in ongoing programs, moderate improvements in laws and regulations, rhetoric offered in lieu of genuine change--these are all forms of appeasement, designed to satisfy the public's desire to believe that

sacrifice, struggle, and a wrenching transformation of society will not be necessary." (emphasis added).

Sacrifice, struggle and a wrenching transformation of society.

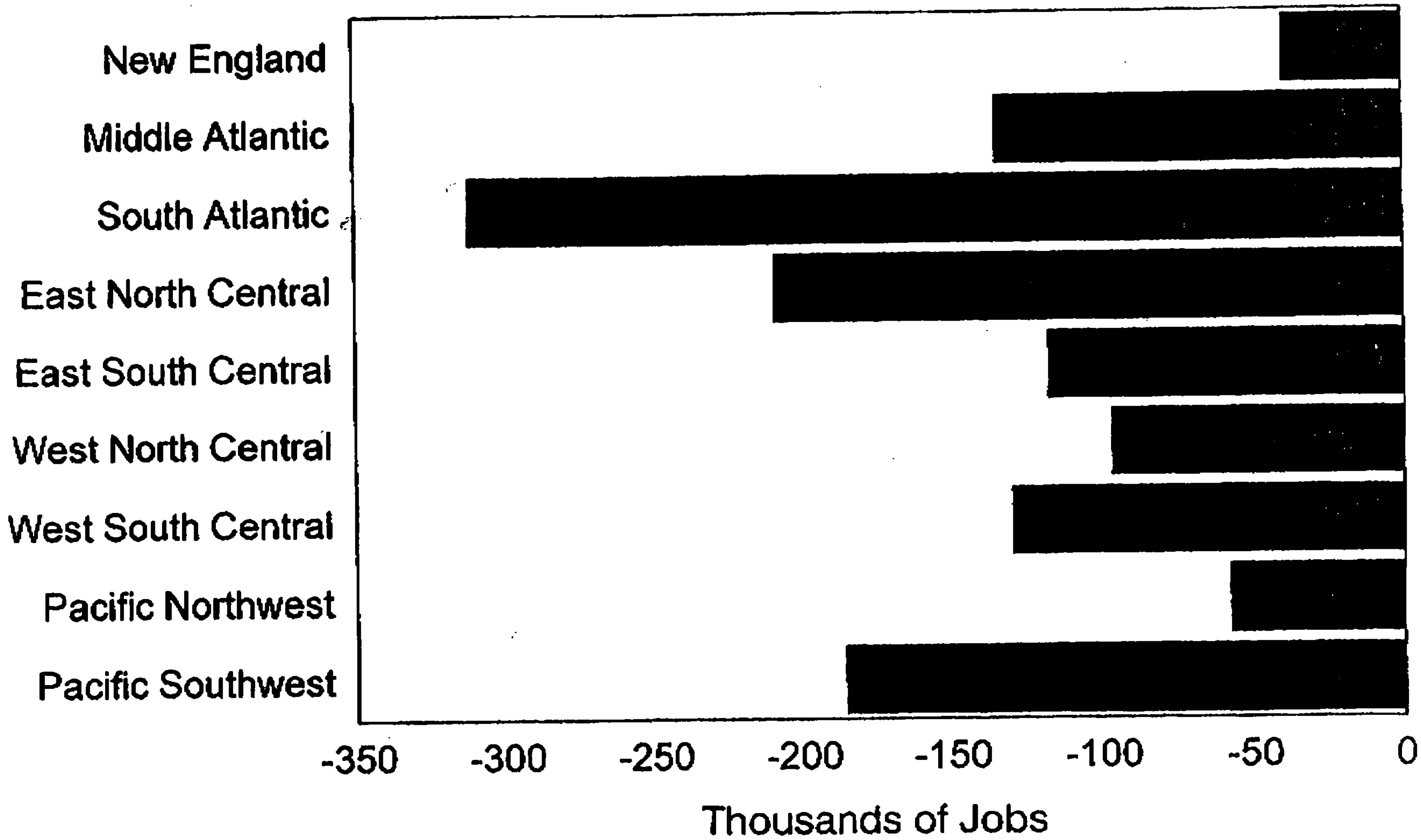
These are words that we are unlikely to hear from the White House in this debate, because they have chosen to downplay the costs by making rosy assumptions that may well prove to be false. Our analysis leads us to believe that Mr. Gore understood the costs better several years ago.

The question for the American public is whether the benefit of this policy--a decline in carbon concentrations of about one part per million--is worth over a million lost American jobs and over $100 billion per year in lost economic output. The UMWA thinks it is not.

Mr. Chairman, I appreciate the opportunity to appear before the subcommittee. I hope that our economic analysis will add something useful to the subcommittee's consideration of this issue. I would be happy to answer any questions that you may have.

Employment Losses by Region

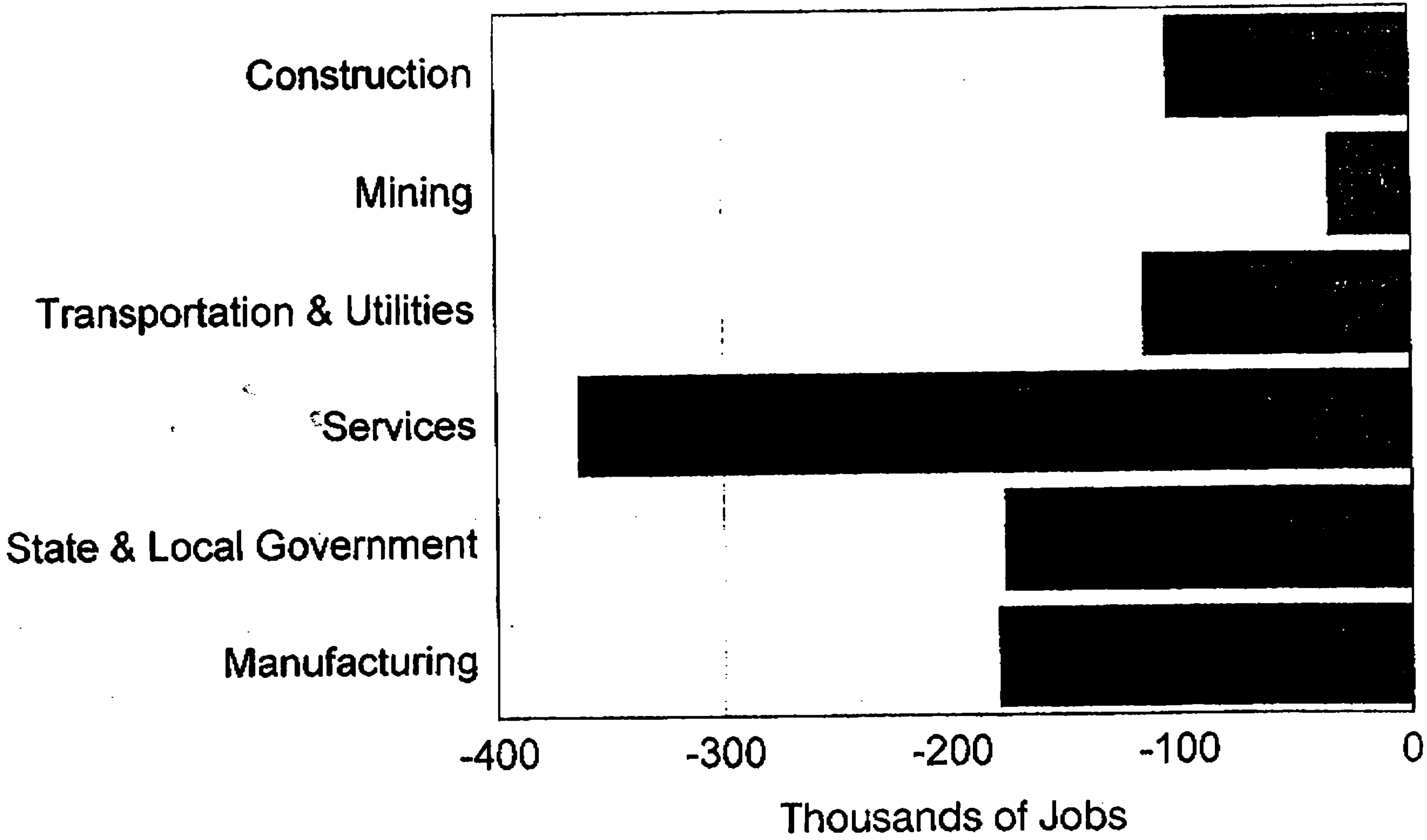
From the Kyoto Protocol in 2005



Source: Standard & Poor's DRI

Employment Losses by Industry

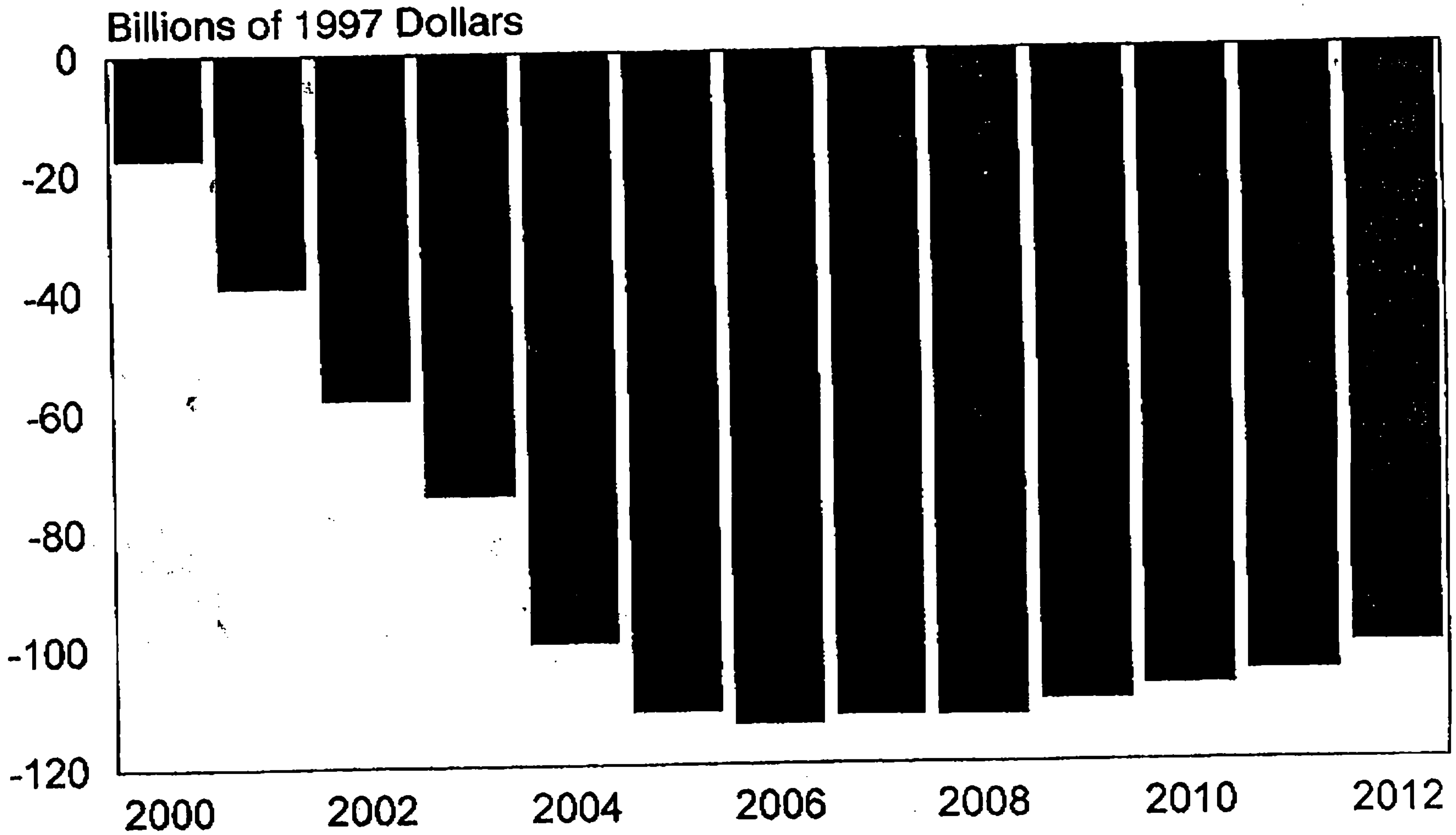
From Kyoto Protocol in 2005



Source: Standard & Poor's DRI

Annual GDP Losses

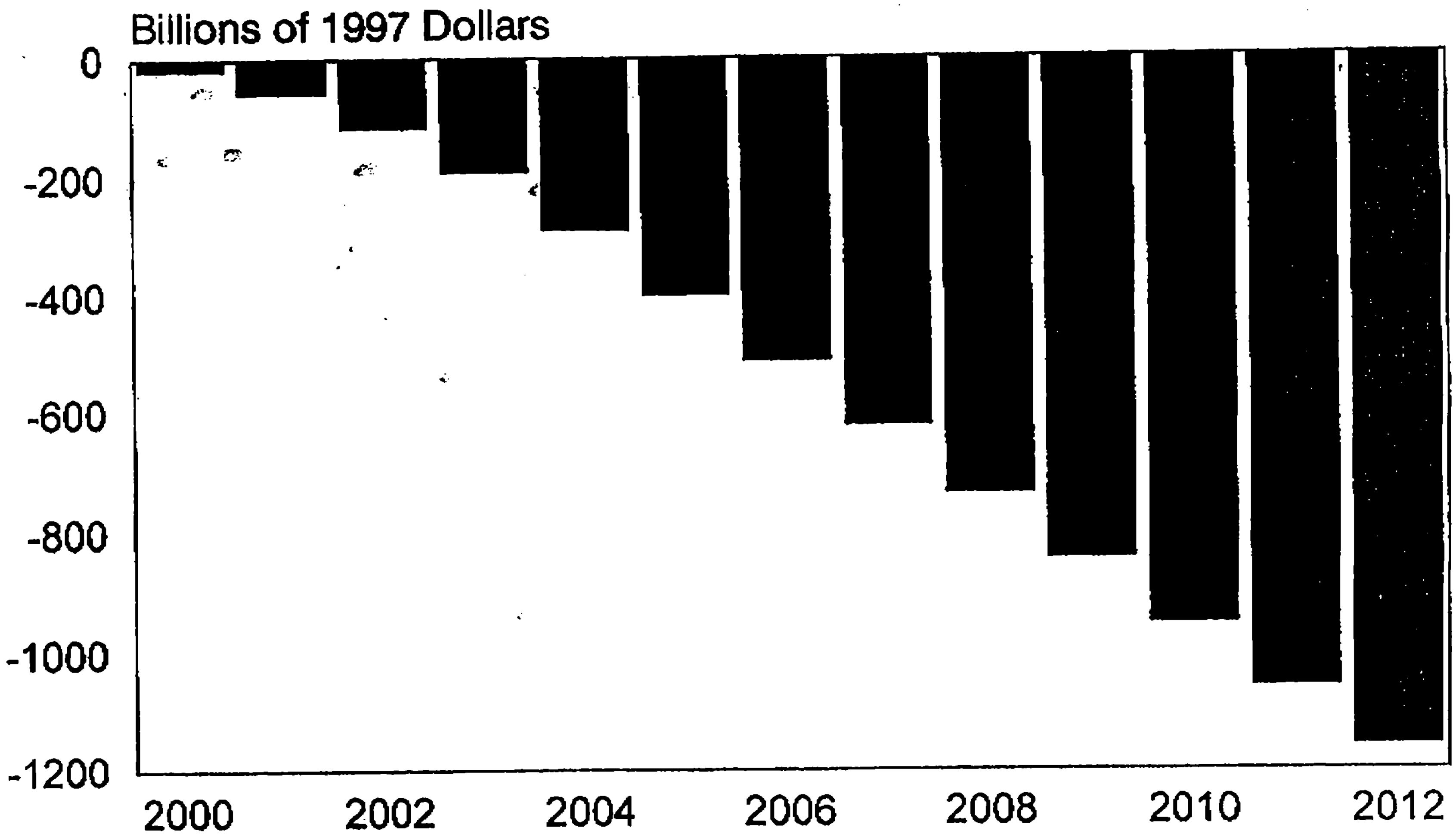
From the Kyoto Protocol (2000-2012)



Source: Standard & Poor's DRI

Cumulative GDP Losses

From the Kyoto Protocol (2000-2012)



Source: Standard & Poor's DRI

Industry Employment, Case 2 versus Base Case
Thousands of Persons

	Difference (000s)				% Difference			
	2005	2010	2015	2020	2005	2010	2015	2020
Nonagricultural Establishments	-1288.83	-1135.85	-669.41	-174.52	-1.0	-0.8	-0.5	-0.1
Contract Construction	-103.97	-11.31	32.27	40.36	-1.8	-0.2	0.5	0.7
Finance, Insurance & Real Estate	-2.69	16.60	22.61	27.26	0.0	0.2	0.3	0.3
Mining	-34.30	-60.38	-74.80	-79.83	-6.5	-12.4	-16.9	-20.3
Coal Mining	-21.10	-28.74	-31.05	-28.84	-24.0	-36.1	-43.6	-47.3
Crude Petroleum	-7.24	-7.14	-8.14	-5.88	-3.7	-4.1	-5.3	-4.4
Natural Gas	0.76	-12.96	-22.32	-31.15	1.0	-16.6	-29.5	-44.5
Other Mining	-6.71	-11.55	-13.29	-13.96	-4.1	-7.4	-9.3	-11.0
Transportation and Public Utilities	-114.69	-171.54	-206.15	-222.78	-1.7	-2.5	-3.1	-3.5
Total Services	-363.48	-367.44	-218.14	-38.06	-0.8	-0.8	-0.4	-0.1
Retail Trade	-232.55	-128.78	38.23	173.43	-1.0	-0.5	0.1	0.7
Wholesale Trade	-82.10	-58.30	-38.57	-32.08	-1.2	-0.8	-0.5	-0.4
Federal Government	0.00	0.00	0.00	0.00	0.0	0.0	0.0	0.0
State and Local Governments	-176.17	-189.88	-86.15	52.23	-0.9	-0.9	-0.4	0.2
Manufacturing	-178.89	-164.82	-138.71	-95.06	-1.0	-0.9	-0.8	-0.6
Food and Products	-1.04	-4.21	-3.99	-0.08	-0.1	-0.3	-0.3	0.0
Tobacco Products	-0.01	-0.03	0.01	0.04	0.0	-0.1	0.1	0.4
Textiles and Products	-9.18	-10.12	-7.50	-3.05	-1.7	-2.0	-1.6	-0.7
Apparel and Products	-9.64	-11.67	-8.95	-4.42	-1.5	-2.1	-1.9	-1.1
Lumber and Wood Products	-16.76	-7.12	-1.79	1.91	-2.2	-0.9	-0.2	0.3
Furniture and Fixtures	-6.13	1.08	4.83	6.55	-1.2	0.2	1.0	1.5
Paper and Products	-6.67	-9.04	-8.92	-6.63	-1.0	-1.4	-1.4	-1.1
Printing and Publishing	-11.03	-12.86	-10.37	-5.46	-0.7	-0.8	-0.7	-0.4
Chemicals and Products	-9.84	-13.49	-13.26	-9.89	-1.0	-1.4	-1.3	-1.0
Petroleum Products	-4.01	-7.50	-9.19	-9.31	-3.8	-7.6	-10.5	-12.1
Rubber and Plastics Products	-7.32	-10.59	-11.35	-8.67	-0.8	-1.1	-1.2	-0.9
Leather and Products	-1.20	-1.59	-1.43	-0.86	-2.1	-3.4	-3.7	-2.6
Stone, Clay, and Glass	-8.54	-8.02	-7.50	-6.40	-1.6	-1.5	-1.5	-1.3
Cement	-0.87	-1.35	-1.61	-1.58	-4.0	-6.5	-8.3	-9.0
Other Stone, Clay, and Glass	-7.67	-6.67	-5.90	-4.82	-1.5	-1.3	-1.2	-1.0
Primary Metal Industries	-11.72	-16.39	-18.58	-17.04	-1.7	-2.5	-3.2	-3.2
Aluminum	-1.59	-2.19	-2.45	-2.05	-1.3	-1.8	-2.2	-2.1
Iron & Steel	-8.71	-11.84	-13.25	-12.46	-2.2	-3.1	-3.9	-4.1
Other Primary Metal Ind.	-1.43	-2.37	-2.88	-2.54	-0.9	-1.6	-2.1	-2.0
Fabricated Metal Products	-11.81	-9.25	-8.73	-7.59	-0.8	-0.6	-0.6	-0.5
Nonelectrical Machinery	-12.86	-3.65	-0.93	-3.29	-0.6	-0.2	0.0	-0.2
Electrical Machinery	-11.51	-14.45	-17.76	-13.73	-0.6	-0.8	-1.0	-0.8
Transportation Equipment	-5.51	2.16	5.44	4.67	-0.3	0.1	0.4	0.3
Instruments and Parts	-0.67	0.73	4.28	4.73	-0.1	0.1	0.6	0.7
Miscellaneous Manufacturing	-4.32	-4.92	-4.32	-2.80	-1.3	-1.5	-1.4	-1.0
Other Manufacturing	-4.86	-4.97	-4.06	-2.58	-1.0	-1.0	-0.9	-0.6

Exhibit 2

Impact of Carbon Permits on Industry Output, Top 25

Case 2: % Difference from Base Case, 2005

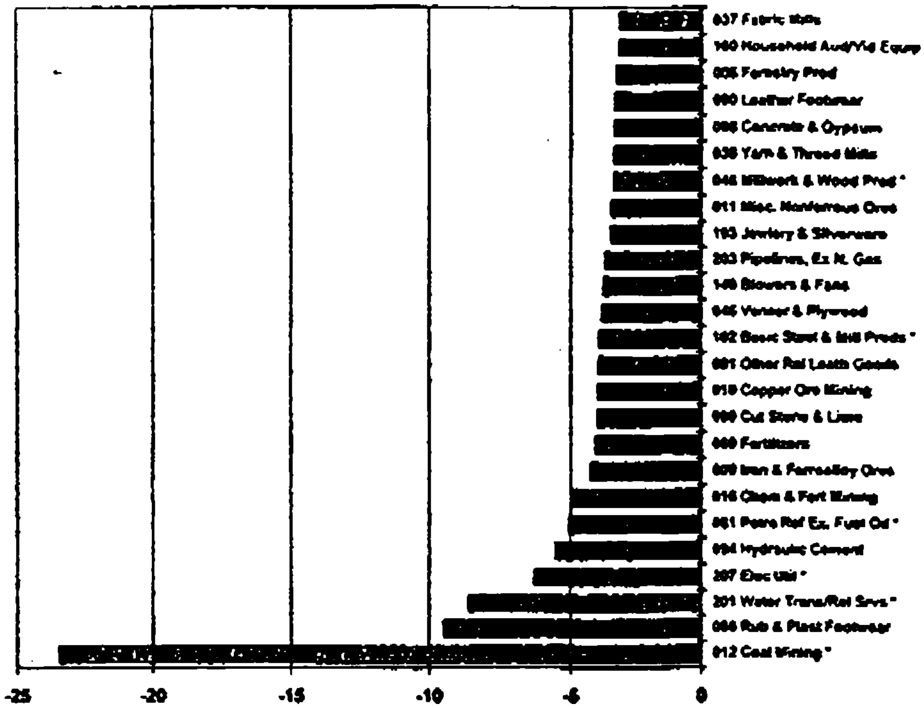


Exhibit 3

Impact of Carbon Permits on Industry Output, Top 25

Case 2: % Difference from Base Case, 2010

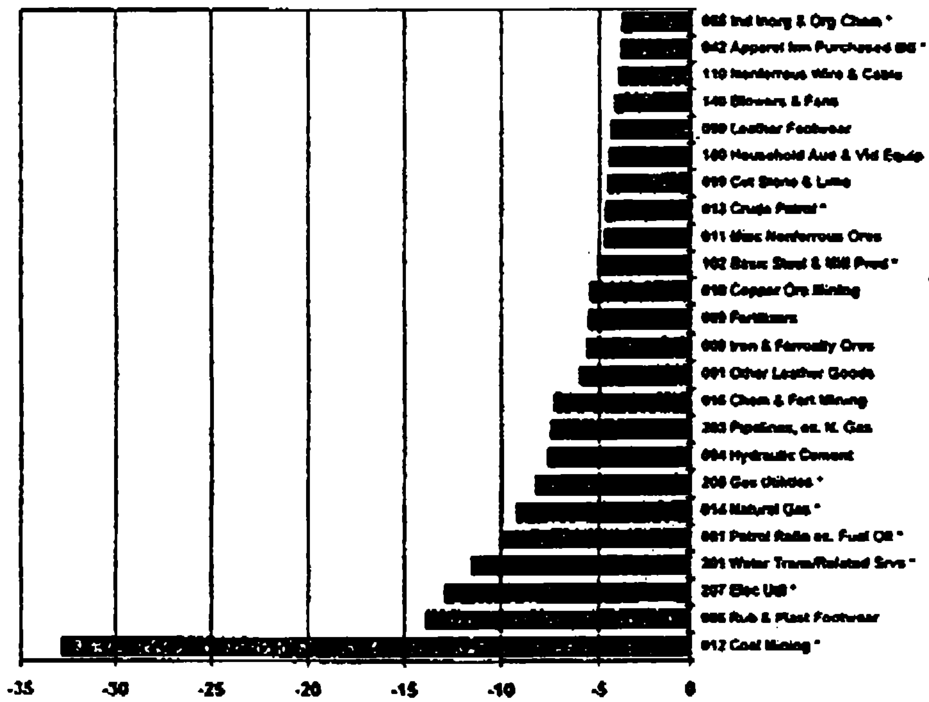


Exhibit 4

Impact of Carbon Permits on Industry Output, Top 25

Case 2: % Difference from Base Case, 2020

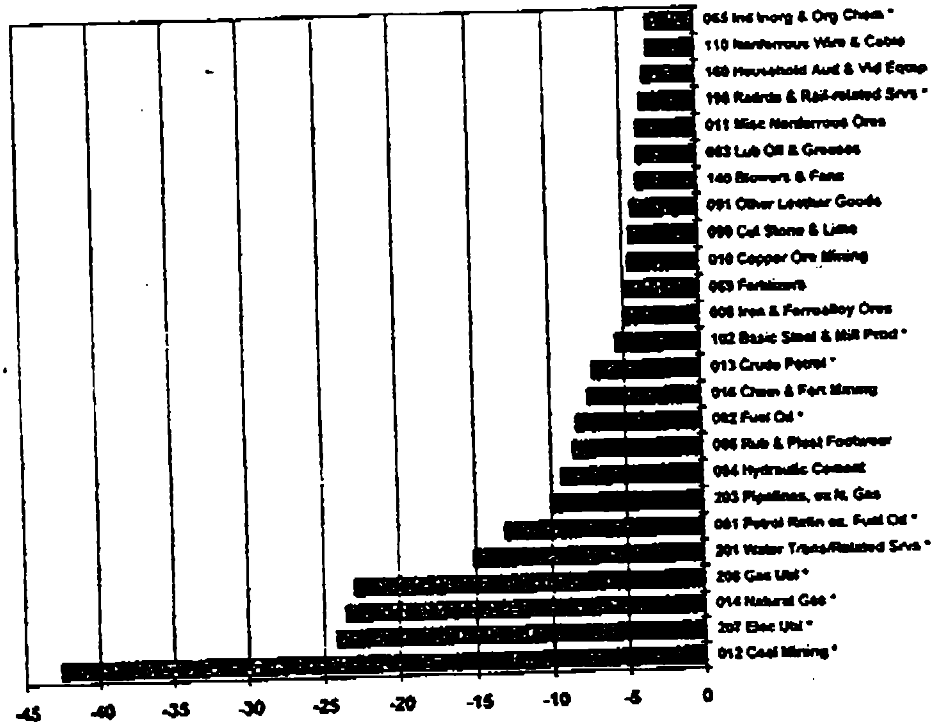


Exhibit 5
Employment Impacts—Manufacturing
Case 2: % Difference from Base Case, 2005

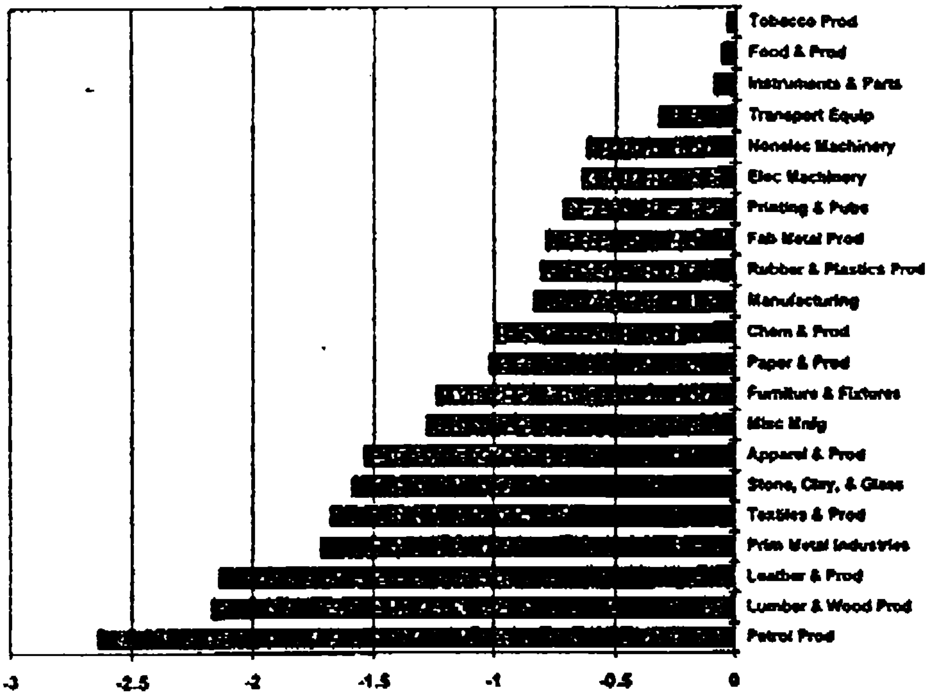


Exhibit 6
Employment Impacts—NonManufacturing
Case 2: % Difference from Base Case, 2005

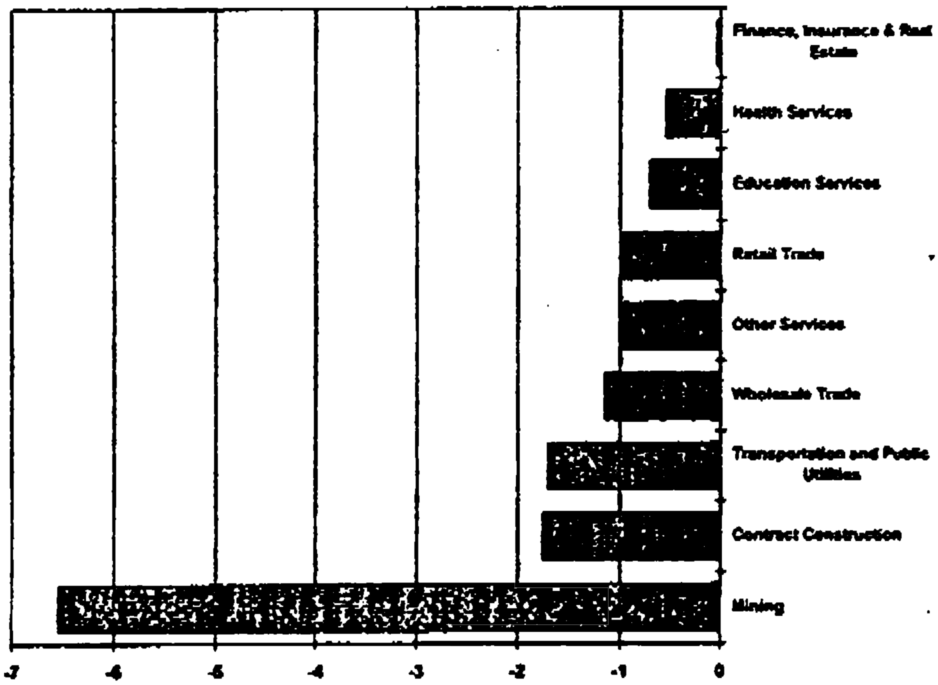


Exhibit 7
Employment Impacts—Manufacturing
Case 2: % Difference from Base Case, 2010

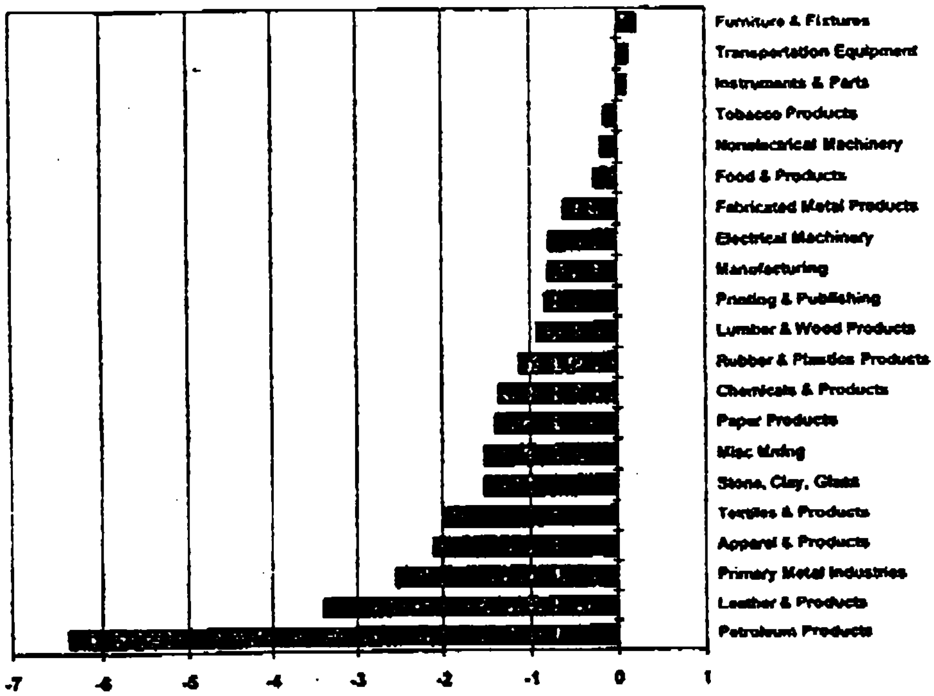


Exhibit 8
Employment Impacts—NonManufacturing
Case 2: % Difference from Base Case, 2010

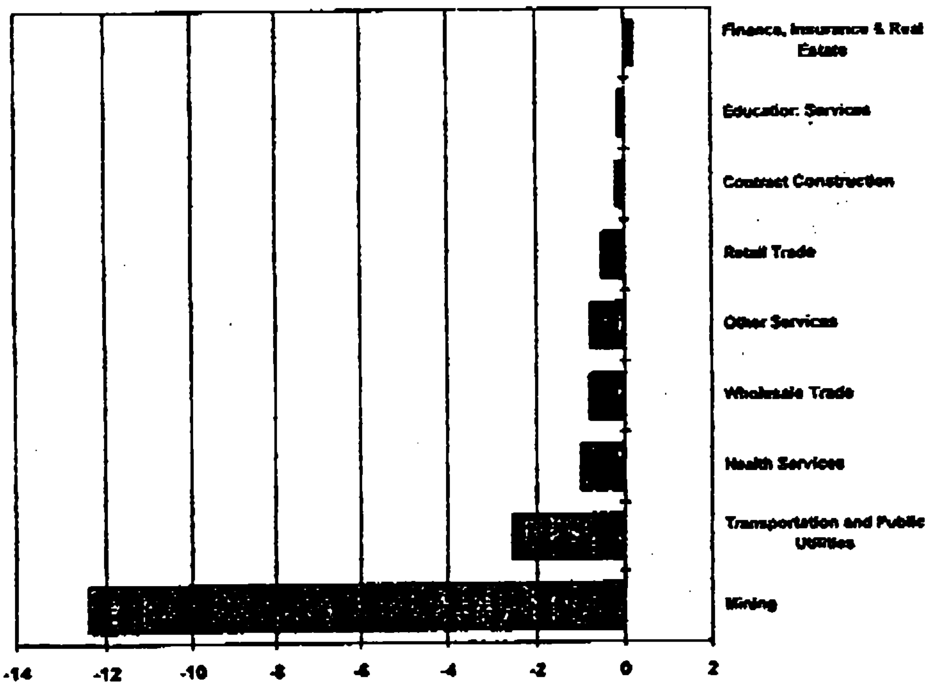


Exhibit 9
Employment Impacts—Manufacturing
Case 2: % Difference from Base Case, 2020

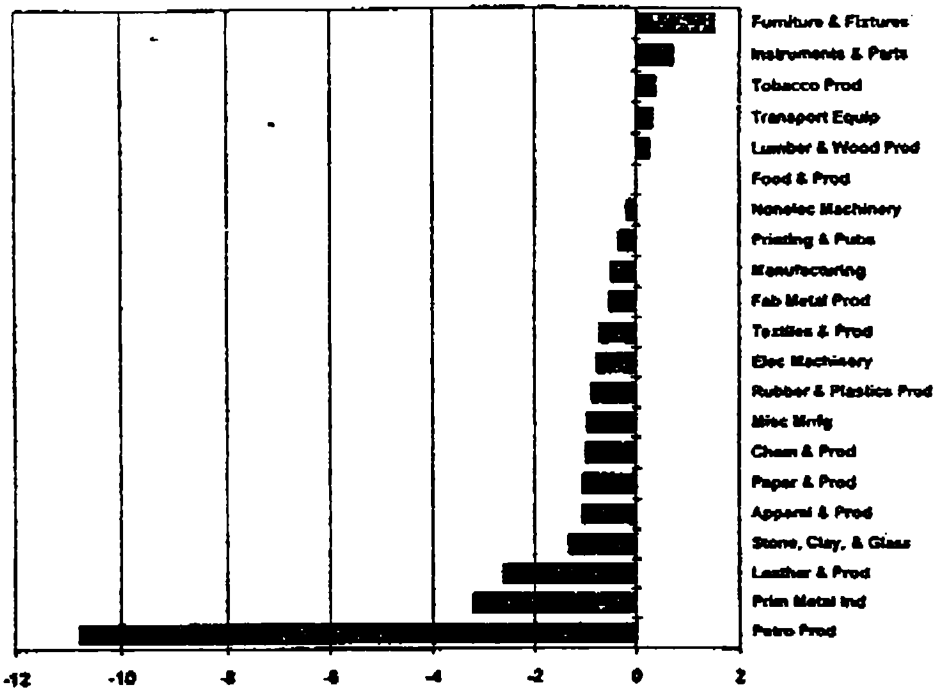
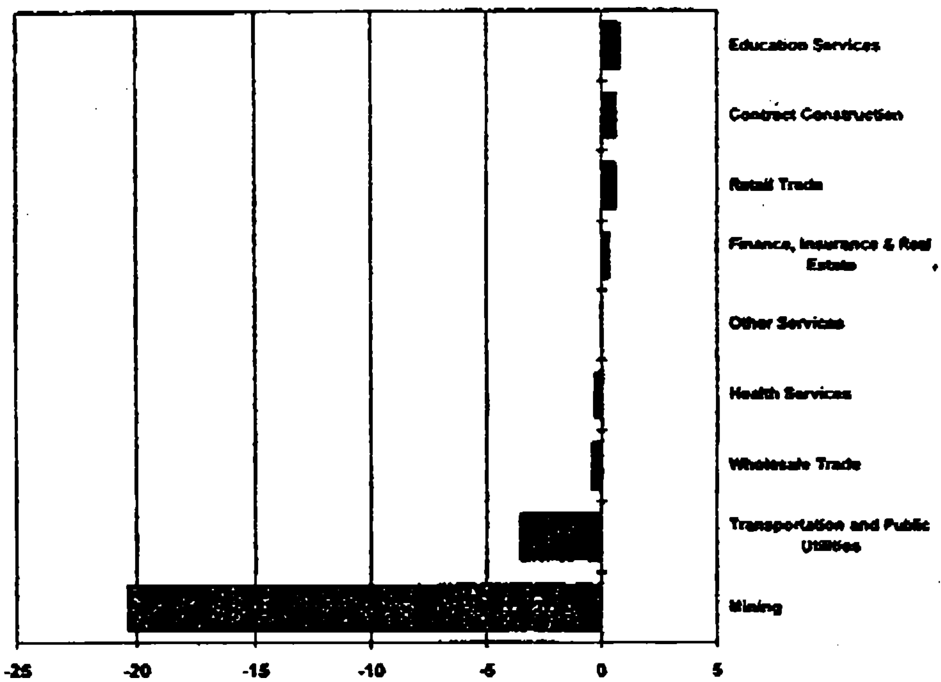


Exhibit 10
Employment Impacts—NonManufacturing
Case 2: % Difference from Base Case, 2020



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Utility Workers Union of America

UWUA

DONALD E. WIGHTMAN is National President of the Utility Workers Union of America, AFL-CIO. The UWUA represents some 50,000 employees in the electric, gas and water utility industries in the United States. Prior to his election as National President in 1996, he served as National Vice President from 1991 to 1995. Previously Mr. Wightman was the President of Local 369 which represented 2000 production and maintenance workers on the properties of the Boston Edison Company. He served as principal negotiator in 15 major collective bargaining agreements. Donald is a member of the Advisory Committee of the Mediation Research & Education Project, Inc. at Northwestern University Law School in Chicago and he is also a member of the Labor Relations and Research Center Advisory Board at the University of Massachusetts in Amherst.

Mr. Wightman is a graduate of the University of Massachusetts, was a Director and former Chairman of the Board of the Boston Edison Employees Credit Union and currently serves as a Labor Representative to Jobs for Massachusetts, Inc., a consortium of business, labor and government leaders in the State. He also founded the Massachusetts Alliance of Utility Unions, a combined effort of utility, steel and electrical worker unions throughout the State. Mr. Wightman was the 1996 recipient of the Chancellor's Award from the University of Massachusetts, Boston. The Labor Guild of Massachusetts presented Donald with their 1996 Cushing-Gavin Award for excellence in labor relations.

In May, 1997 Donald was awarded the Gompers-Murray-Meany Award by the Massachusetts AFL-CIO which is presented annually to a national or international president in recognition of a lifetime of dedicated service to the labor movement.

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International Brotherhood of Electrical Workers

IBEW

Biography

JAMES L. DUSHAW
Director, Utility Department
International Brotherhood of Electrical Workers
1125 15th Street, N.W., Suite 1102
Washington, D. C. 20005

Jim Dushaw is a native of Pittsburgh, Pennsylvania, where he was employed with an investor-owned utility for nearly twenty years. He was appointed to a position with the IBEW International Office as an International Representative with the Union's Utility Department in January 1979. In 1989, he was appointed to the position of Director of the IBEW Safety and Health Department with the responsibility of coordinating occupational safety matters for the IBEW International Office.

Jim was named Director of the IBEW Utility Department effective January 1993. His responsibilities have included areas of IBEW interest with regard to United States energy policy, balance between environmental and economic policy issues, restructuring of the utility industry and matters relative to utility collective bargaining trends and innovations. He has represented the IBEW with industry, labor, and government coalitions, and national consensus standards committees.

Jim is one of few persons who was engaged with Federal OSHA and industry counterparts throughout the inception and development of the OSHA Regulation covering electric utility operations and maintenance relative to power generation, transmission and distribution.

The IBEW Utility Department coordinates activities and provides services in connection with some 1,300 collective bargaining agreements covering some 220,000 IBEW members.

Kyoto Protocol and Global Warming

In Kyoto, Japan, the Parties to the UN Framework Convention on Climate Change agreed to a Protocol that imposes greenhouse gas emission targets and timetables for industrialized nations. Emission ceilings on the six greenhouse gases under the Protocol would only be enforced on 38 countries, including the US and Canada, while allowing 133 "un-industrialized" nations no restrictions. Some of the exempt nations are China, Brazil, Korea, Argentina and Mexico.

A comprehensive study by Standard & Poor's DRI of the Kyoto Protocol shows the following impacts on our economy:

- It will result in the loss of 1.3 to 1.7 million jobs by 2005.
- Economic output, as measured by GDP, will fall 1.1% to 1.6% on average during the 2008 - 2012 compliance period. Cumulative GDP losses from 2000 to 2012 will be $1.1 to $1.5 trillion.
- Consumer energy prices will rise from 24% to 36%.
- Real household income will fall $1,021 to $1,403 per family annually.
- Household energy expenditures will increase $1,012 to $1,573 per family each year.

The IBEW has chosen not to entered into the debate regarding the science behind global warming theories. However, we are strongly against an unfair national treaty that would cripple the US economy with no assurances that the global environment would improve.

International Brotherhood of Electrical Workers
September 1998

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

Dear Mr. President:

We the undersigned leaders of organized labor in the United States strongly urge you to reject the climate change protocol recently negotiated in Kyoto, Japan. The protocol fails to meet the criteria for an acceptable agreement set forth by the AFL-CIO Executive Council, Senate Resolution 98, and the principles you set forward in your own policy statement of October 22, 1997.

Mr. President, we share your concern about the possibilities of climate change due to the growing concentration of greenhouse gases. Leadership demands of all of us that we address this issue and not leave it for future generations to solve. However, it is essential that the world's governments address the issue of climate change responsibly and take into due consideration the wrenching impacts that remediation policies to address global warming could have on the world's poor and working people.

On February 20, 1997, the AFL-CIO Executive Council unanimously approved a policy statement expressing our concern about the on-going climate change negotiations. That policy statement observed that 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...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."

We further expressed our dismay that the administration had to date failed to provide adequate economic analysis about the impacts on employment and our economy of various emission reduction proposals on the table. That concern remains with us today. The administration's own inter-agency study concluded that simply stabilizing emissions at 1990 levels by 2010 would cost 900,000 jobs and would impose significant costs to consumers. The administration disregarded its own study and failed to provide credible alternatives so that U.S. government negotiators and the American people could be informed about the economic impacts of what might be negotiated in Kyoto. Surely, the seven percent cut in emissions below 1990 levels agreed to by your negotiators in Kyoto will impose an even more severe cost to jobs and our economy than that projected in the stabilization scenario.

The United States Senate, expressing similar concerns, passed Senate Resolution 98 on July 25, 1997. The Resolution, approved by a 95 to 0 vote, urged you to reject any treaty which did not mandate specific new scheduled commitments to limit or reduce greenhouse gas emissions for developing countries within the same compliance period, or which "results in serious harm to the United States economy."

In your policy announcement on October 22, 1997, you set forward your own criteria that "the United States will not assume binding obligations unless key developing nations meaningfully participate in this effort." As you correctly pointed out, "If the entire industrialized world reduces emissions over the next several decades, but emissions from the developing world continue to grow at their current pace, concentrations of greenhouse gases in the atmosphere will continue to climb."

The Kyoto Protocol, as negotiated, does not meet these criteria. Developing countries have no obligations under the protocol and the U.S. commitment of a seven percent cut below 1990 emissions levels in just fourteen years is a serious departure from what you articulated was a "realistic" target in your October 22 speech. We believe forcing such severe changes in the way our economy consumes energy in such a short period of time could have very detrimental impacts on economic growth, jobs and consumer prices. As such, we respectfully urge you not to sign the protocol and instruct your negotiators to enter into a new round of negotiations for a treaty that will be both effective in reducing the threat of global warming and beneficial for the U.S. economy and its workforce.

The Honorable William Jefferson Clinton
Page Two

Sincerely yours,

John J. Barry, President
International Brotherhood of Electrical Workers (IBEW)

Frank Hurt, President
Bakery, Confectionery and Tobacco Workers International Union (BC&T)

Edward L. Fire, President
International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers (IUE)

Charles W. Jones, President
International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers, and Helpers (IBB)

Peter diCicco, President
Industrial Union Department (IUD)

Cecil E. Roberts, President
United Mine Workers of America (UMWA)

Boyd D. Young, President
United Paperworkers International Union (UPIU)

Douglas J. McCarron, President
United Brotherhood of Carpenters and Joiners of America (UBC)

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Divider Title: **<Blank>**

White House Consultations with Labor Groups on Volunteer Action to Reduce Greenhouse Gas Emissions

10:45 a.m.

Monday, September 28, 1998

American Federation of Labor and Congress of Industrial Organizations

AFL-CIO

American Federation of Labor and Congress of Industrial Organizations

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

RICHARD L. TRUMKA
AFL-CIO Secretary Treasurer

Richard L. Trumka was elected October 25, 1995, as the youngest secretary-treasurer in the AFL-CIO history, part of an insurgent campaign to reinvigorate the American labor movement.

At the time of his election, Trumka 46, was serving his third term as president of the United Mine Workers of America. A member of the AFL-CIO Executive Council since 1989, he chaired the Strategic Approaches and Energy Committees and served on the executive boards of the Industrial Union, Maritime Trades and Transportation Trades Departments.

In 1994, President Clinton named him to the Bipartisan Commission on Entitlement and Tax Reform, where he represented the interests of working families in policy debates on SocialSecurity, pensions and health care.

During his tenure as president of the UMWA, Trumka led two major strikes against the nation's coal companies - Pittston in 1989 and the Bituminous Coal Operators in 1993 - that resulted in significant advances in employer-employee cooperation and the enhancement of mine workers' job security, pensions and benefits.

The UMWA victories in those disputes were assisted by international campaigns that Trumka developed. As chairman of the committee on strategic approaches, he was instrumental in developing tactics to bring the pressure of international labor to bear on multinational conglomerates involved in disputes with U.S. workers. He also serves on the executive boards of the International Miners Federation and the International Confederation of Free Trade Unions, and played a key role in organizing a new global coalition of coal miners' unions in five countries.

Trumka is a third-generation coal miner from Nemacolin, Pennsylvania, who began working in the mines at the age of 19. He joined the UMWA Local 6290, serving as safety committee chairman. He soon became an activist in the Miners for Democracy reform movement.

In the early 1970s, he graduated from Pennsylvania State University and later earned a law degree from Villanova University Law School. After serving four years on the UMWA legal staff during the reform administration of Arnold Miller, he returned to the mines in 1978. He was elected to the union's executive board in 1981. He was first elected president of the union in 1982 and in December of 1995, Mr. Trumka became President Emeritus of the United Mine Workers of America.

He has received numerous awards, including the 1995 Gompers-Murray-Meany Award from the Massachusetts AFL-CIO and the Labor Responsibility Award from the Martin Luther King, Jr. Center for Nonviolent Social Change in 1990.

#####

David A. Smith
Director, Public Policy Department
AFL-CIO

Mr. Smith is director of the Public Policy Department, AFL-CIO. The department's work covers a wide range of domestic and international concerns with a special emphasis on economics.

Prior to joining the AFL-CIO, Mr. Smith served as senior deputy budget director and as commissioner of economic development for the City of New York. Mr. Smith spent most of the 80's in Washington as an aide to Senator Edward M. Kennedy, and as a senior economist for the Joint Economic Committee.

Mr. Smith has taught economics and public policy at the University of Massachusetts and the New School for Social Research, and he is a senior fellow at the Twentieth Century Fund.

September 1998

Summary of AFL-CIO Policy Statement

"...The U.S. should not be asked to shoulder an unfair level of responsibility that would jeopardize our economy and the millions of industrial and transportation jobs it supports . . . . Companies wishing to avoid emission control requirements will simply move their operations to countries that were able to evade the provisions embodied in the Berlin Mandate."

- 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 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 . . . [t]he entire economy would be placed at risk with little or no environmental benefit."

- 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.

- "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 reducing commitments."

- An uneven playing field will cause the loss of high-paying U.S. jobs in the mining, manufacturing, transport and other sectors. These taxes are highly regressive and will be most harmful to citizens who live on fixed incomes or work at poverty-level wages.

Conclusion: "[W]e as organized labor find it amazing that harsh, arbitrary flat-rate reductions in greenhouse gas emissions are being proposed and contemplated without regard to their impact on working people."

THE KYOTO CLIMATE CHANGE PROTOCOL

Transportation labor is deeply concerned with the worker and community dislocation that will result from the eventual implementation of a global climate change agreement reached in December in Kyoto, Japan. This agreement sets legally binding targets on emissions of six greenhouse gases for industrialized countries including the United States, but exempts developing and emerging nations such as China from meeting any emission reduction targets whatsoever. The effects of this deal on American jobs would be severe while any positive impact on the global environment is negated by the lack of participation by developing nations.

At TTD's fall 1997 executive committee meeting, transportation labor called on the Clinton Administration to walk away from a deal in Kyoto unless it contains "explicit and enforceable directives to be followed by all nations, not just the United States and the other leading industrialized economies." ***(TTD Resolution 8-97(o), 10/7/97)*** The reality is that the deal struck in Kyoto falls well short of meeting the conditions set forth by TTD and separately by the AFL-CIO, whose Secretary-Treasurer, Rich Trumka, led a labor delegation to Kyoto.

At the January 1998 meeting of the AFL-CIO Executive Council, the labor movement declared that the proposed climate change agreement "fails to meet the standards for a treaty as set forth and adopted unanimously by the AFL-CIO Executive Council's 1997 resolution and Convention statement." Specifically, the AFL-CIO called upon President Clinton to "refrain from signing" the Kyoto Protocol and instead to "lead a serious conversation with the American people in which he presents the legislative and regulatory plans, expected economic effects and projected environmental outcomes that his Administration anticipates as a result of implementing their current strategy."

We are prepared to explain to policy leaders at every level the difficulties workers face when environmental policy initiatives fail to address worker and community economic concerns. We will insist upon policies and programs in relation to reduced carbon emissions that protect economic viability, that can be measured and enforced and that honestly deal with worker dislocation. We do not oppose rational solutions to reduce greenhouse gas emissions, but we will not support policies that negatively impact American workers in every sector of our economy while allowing less developed nations — including the worst polluters of the next century — to avoid their own future responsibilities.

THEREFORE, BE IT RESOLVED:

■That TTD will continue to oppose the unfair global climate Protocol developed in Kyoto, Japan and speak out to Members of the Senate if that legislative body takes up ratification of this treaty; and

■That TTD will urge the Clinton Administration to disclose its plans to mitigate job loss and economic dislocation caused by implementation of a global climate deal and to convince developing nations to sign-on to the Kyoto Protocol in measurable and enforceable terms.

Resolution No. 11-98(w)
(Adopted March 17, 1998)

REJECT THE "BERLIN MANDATE" IN KYOTO, JAPAN

More than a million jobs will be lost following a conference this December in Kyoto, Japan if the United States agrees to the Berlin global climate change treaty. As drafted in December 1995, that proposal would impose a disproportionate burden on the major industrialized countries including the United States by establishing legally binding targets and timetables for greenhouse gas emission reductions for the post-2000 period. Unfortunately, the Berlin product does not impose the same requirements on developing countries and emerging powers in Asia and China.

The agreement was generated from concern that emission of greenhouse gases might contribute to increases in global average temperatures and cause adverse changes in the world's climate. However, there is no evidence that reductions of greenhouse gas emissions in industrial countries alone, as the ill-advised Berlin Mandate requires, can prevent climate change. It is imperative, therefore, that any agreement aimed at addressing global warming concerns contain explicit and enforceable directives to be followed by all nations, not just the United States and the other leading industrialized economies.

The fact is that most of the world's future growth of greenhouse gas emissions will come from high-growth countries like China, Mexico and Korea. With rapid industrialization, these countries will be responsible for well over half of the planet's greenhouse gas emissions as early as 2015. China alone, for example, will account for a 25 percent increase of total emissions of carbon dioxide by 2020 and yet does not have any mandates to fulfill in the treaty as drafted in Berlin. Just as troubling is the fact that failure to include all nations will do little to stabilize or reduce worldwide atmospheric concentrations of carbon. Such a treaty will, however, provide an incentive for companies wishing to avoid emission control requirements to move production, jobs and pollution from the United States to other countries.

It is becoming increasingly clear that whatever global agreement, if any, is reached will have a profound effect on job security and the incomes of American workers. DRI/McGraw Hill, an independent economic forecasting firm used by the Bush and Clinton Administrations to conduct climate policy analysis, found that a policy to stabilize carbon emissions at 1990 levels by 2010 will cause the loss of nearly 1.6 million U.S. jobs by 2005. A policy aimed at reducing emissions 10 percent below 1990 levels by 2010 was forecast by DRI to result in the loss of 2.3 million U.S. jobs by 2005.

Every industry, the study says, that uses electricity, produces and consumes fossil fuels, operates boilers, drives trucks or cars, or transports people or goods by rail, air or bus has a great deal at stake in this debate. The coal industry alone will be devastated, and numerous other industries hard hit — 110,000 jobs lost in the transportation and public utility sector; 199,000 jobs lost in the manufacturing sector; 426,000 jobs lost in the services sector; and 182,000 jobs lost in state and local government sectors. Regardless of which economic models are used to analyze job impact, few dispute that job loss will be severe in certain sectors of our economy.

A recently released study conducted by the Economic Policy Institute (EPI) confirmed these results, and added that workers' wage growth will be cut in half over the next two decades. Real wages are expected to decline, and by 2020 will be only 3-4 percent higher than they were in 1995. The entire economy would be placed at risk with little or no real benefit to the environment.

In the context of discussions regarding remedies for anticipated economic and job dislocation, it is clear that we must provide transitional assistance to workers and communities hardest hit by a global warming treaty, if one is signed and approved. We note that the transitional assistance programs traditionally deployed in the aftermath of environmental policy and regulatory initiatives or trade agreements have been inadequate at best and unattainable for scores of workers victimized by American policy decisions that have resulted in undermining entire job sectors or inspiring the relocation of U.S. production to lower wage countries. That is not to say that these programs are not necessary -- we simply state that their current construct will not satisfy the needs of workers and communities faced with the range of economic effects from a global climate change treaty.

The Clinton Administration must be prepared to disclose at the front-end its plans to mitigate job loss and economic dislocation which may be caused by a global climate change deal. Separately, it must commit to a process to fully fund and implement any programs and mechanisms aimed at blunting the agreement's anticipated impact on workers and their families. Absent these commitments, transportation labor believes the President should be prepared to walk away from signing any global warming deal in Kyoto or at future international negotiations.

In June, Senators Robert Byrd (D-WV) and Chuck Hagel (R-NE) introduced a non-binding resolution urging the United States not to sign the treaty in Kyoto if it exempts developing countries from greenhouse gas emission reductions and, more importantly, if it would result in serious harm to the economy of the United States. The resolution passed 95-0, sending a clear and powerful message to the Clinton Administration and government leaders worldwide that the Berlin Mandate is unacceptable to the U.S. Senate which is responsible for the treaty's eventual approval.

At the AFL-CIO Convention in Pittsburgh last month, the labor movement declared that it must protect America's industrial base "with *no* movement of jobs or pollution to other countries because of perverse incentives" as a result of a flawed global climate treaty. The Federation also adopted four important principles in the context of all current and future environmental challenges including global climate change:

Principle of Economic Rights asserts that the labor movement must protect American worker and community economic interests as environmental challenges emerge.

Principle of the Highest Common Denominator acknowledges that community and environmental interests are an extension of our members' workplace; thus, the labor movement must find "the highest level of agreement on environmental solutions."

Principle of Just Transition makes it an imperative that in dealing with environmental and economic issues the labor movement must "plan for effective, smooth transition for all parties affected by environmental change."

Principle of Common Sense requires a go-slow, sensible approach in dealing with environmental policy challenges, but with a purpose and with the widest possible input within the labor movement and its allies.

These principles speak to the need for organized labor to become more engaged in and responsive to the challenges America faces in protecting its workers' interests as proposals on difficult domestic and international environmental challenges are considered. Transportation labor supports these principles and, most importantly, is committed to engaging policy leaders at every level on the difficulties workers face when environmental policy initiatives fall short of dealing with worker and community concerns in terms which can be measured and enforced, and which honestly deal with the issue of dislocated working families.

We have long supported the Administration in its efforts to enforce the nation's environmental laws and to ensure adequate funding for research, enforcement and clean-up. Although we do not oppose reasonable solutions to greenhouse gas emissions concerns, we cannot support policies that negatively impact American workers in every sector of our economy while allowing less developed nations to avoid much of the responsibility.

THEREFORE, BE IT RESOLVED:

■That TTD will urge the Clinton Administration to renegotiate the terms of the "Berlin Mandate" prior to signing any treaty governing global climate change;

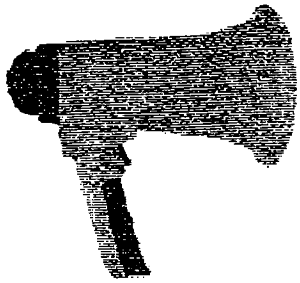
■That TTD will insist that the Clinton Administration and Congress reject any treaty regarding global climate change that exempts developing countries from whatever mandates are eventually imposed on the U.S.;

■That TTD will work collectively against a treaty that would cause mass unemployment and harm the competitiveness of the economy; and

■That TTD will work with the AFL-CIO to protect against unfair international environmental agreements and to advance the principles defining the labor movement's engagement on these issues.

Resolution No. 8-97(o)
Submitted by: UMWA and UTU
(Adopted October 7, 1997)

FOR MORE INFORMATION CALL: ***202•628•9262***



Americans Speak Out

Labor Unions

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

Transportation Trades Department of the AFL-CIO

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

Industrial Union Department, AFL-CIO

(Resolution on U.N. Climate Change Negotiations, adopted by IUD November 13, 1996) -- The exclusion of new commitments by developing nations under the Berlin Mandate will create an uneven playing field in favor of developing nations such as China, India, Mexico and Brazil in the competition for jobs and economic growth. Such an uneven playing field will cause the loss of high-paying U.S. jobs in the mining, utility and manufacturing sectors. Processes which generate carbon emissions will be transferred to the developing world along with the jobs, thus providing little or no real benefit to the environment. The Industrial Union Department of the AFL- CIO calls upon the Congress and the President of the United States to refrain from entering into or ratifying any treaty amendment or protocol that causes the loss of U.S. jobs; and that the U.S. renegotiate the Berlin Mandate to ensure that all nations have appropriate commitments to reduce carbon emission to prevent the transfer of jobs and emissions to the developing world.

AFL-CIO Executive Council

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

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

Statement by Bill Cunningham to the FCCC Ad Hoc Group on the Berlin Mandate Bonn, Germanv, March 5, 1997. (On behalf of the AFL-CIO, the Australian Council of Trade Unions, the International Federation of Chemical, Energy Mine and General Workers' Unions.) " ... we as organized labor find it amazingly that harsh, arbitrary flat rate reductions in greenhouse gas emissions are being, proposed and contemplated without regard to their impact on working, people. It is unquestionably the case that harsh uniform reduction targets will impose high costs, indeed punishments, on particular regions and particular countries. And these countries will not just be developed nations in Annex 1. In a global market place, the impacts of what is done by developed countries will flow through to many developing nations. There is ample evidence that many developing nations will suffer adversely from uniform action by the developed world. That such flat rate reductions are being contemplated is even more galling when we find that there is no scientific evidence that flat rate reductions by the developed world will solve the greenhouse problem. In fact it might even exacerbate it. Energy-efficient industries may be closed down in some countries to be replaced by less-efficient industries in others. If the enhanced greenhouse effect is a global environmental problem that must be addressed, and there seems consensus here that it is, then measures to address it must also be global. The burden must also be shared, and shared equitably. If there is industry restructuring, that must be done, then labor will do its share. And let there be no mistake, whatever happens with respect to greenhouse, it will be working people who finally pay, most of the cost. Whatever taxes Governments raise, whatever regulations they impose. whatever measures business introduces - it will be working, people who finally must implement the changes and pay much of the cost. We therefore urge you to exercise caution. The global environment is at stake here today, but not only the environment. And not only business profits or government revenues either. You hold in your hands the power to destroy the jobs, incomes and livelihoods of millions of working people. And beyond them, the many millions more in their families and communities, and the service industries dependent on them. The precautionary principle is one that is often cited here, but all-too-often only with only with regard to science and the environment. But people do not recover rapidly either from reckless decision making. Industries and people must not be arbitrarily penalized for limited and possibly negligible environmental benefit."

United Mine Workers

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

- **Small Business**
- **Labor Unions**
- **Lower Income Citizens**
- **Farmers/Ranchers**
- **Business and Trade Associations**
- **Grassroots Organizations**
- **Recreation**
- **Public Policy Groups**
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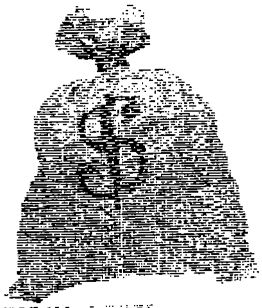

Economic Concerns

ECONOMIC CONCERNS

How the Kyoto Treaty Would Affect Us

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

How the Treaty Would Affect the Economies of Nations

How the Treaty Would Affect the Average American

Frequently Asked Questions

The Government's Abandoned Economic Models

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

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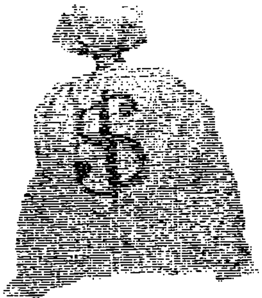

Economic Concerns

Frequently Asked Questions

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

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

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

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

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

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

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

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

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

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

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

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

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

How the Treaty Would Affect the Economies of Nations

How the Treaty Would Affect the Average American

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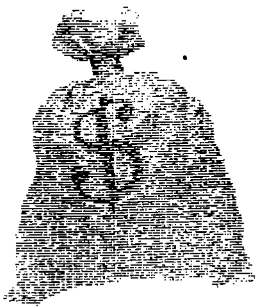

Economic Concerns

How the Treaty Would Affect The Average American

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

Consumer Goods	Price Increase	%Increase
Refined petroleum products -including gasoline/home heating oil	$0.50 per gallon	38% / 48%
Electricity	1.93 cents/kWh	23%
Natural Gas	$2.25 per MCf	46%

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

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

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

How the Treaty Would Affect the Economies of Nations

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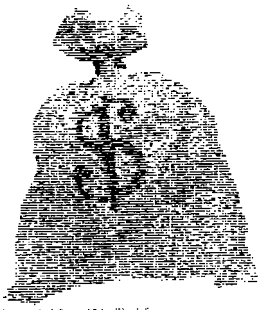

Economic Concerns

How the Treaty Would Affect the Economies of Nations

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

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

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

How the Treaty Would Affect The Average American

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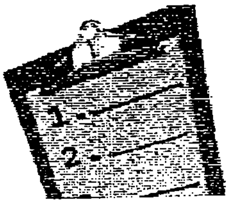

Why We're Concerned

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- The American Portland Cement Alliance
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United Steelworkers of America

USWA

George Becker

International President
United Steelworkers of America, AFL-CIO•CLC

George Becker, a second-generation Steelworker, grew up across the street from Granite City Steel in his home town of Granite City, Ill., where he went to work with a labor gang at the mill in the summer of 1944. From that beginning, Becker rose through the ranks of the United Steelworkers of America to become the union's sixth international president. He was elected president in November 1993 and re-elected in November 1997.

Prior to his election as president, Becker served two terms as international vice president for administration, having been elected to that position in 1985 and re-elected in 1989. He previously served as administrative assistant to Lynn Williams, after Williams became international secretary in 1977 and international president in 1983.

Besides working at Granite City Steel, he worked as a crane operator at General Steel Castings, and as an assembler at Fisher Body. He also served a hitch in the Marine Corps.

Becker became active in the USWA as a member of Local 4804 at Dow Chemical's aluminum rolling mill in Madison, Ill. Working as an inspector in the mill, he was elected successively as local treasurer, vice president and president.

He was appointed a USWA staff representative in 1965 and came to the International headquarters in 1975. As a staff technician in the Safety and Health Department, he helped establish some of the first national health standards adopted by the Occupational Safety and Health Administration for workers exposed to lead, arsenic and other toxic substances.

As vice president, Becker chaired the USWA's Aluminum Industry Conference and led the union's collective bargaining in the aluminum industry. He headed the union's organizing program and led major corporate campaigns, including the worldwide campaign against Ravenswood Aluminum Corp. that achieved the historic firing of 1,300 permanent scab replacement workers and the return to work of 1,600 Steelworkers after a 20-month lockout.

Becker's presidency been marked by many major achievements for the union. These include:

- The reorganization of the union in June 1995, by which 18 districts in the United States were consolidated into nine districts, increasing each district's efficiency and political strength.
- The merger of the United Rubber Workers with the USWA in July 1995, bringing 98,000 new members to the union.
- The merger of the 40,000-member Aluminum, Brick and Glass Workers Union with the USWA in January 1997.
- The plan to unify the USWA, United Auto Workers and International Association of Machinists by the year 2000.
- The historic worldwide campaign that achieved a contract for 6,000 members at Bridgestone/Firestone, after a struggle of more than two years and four months.
- The victorious settlement of a 10-month strike against Wheeling-Pittsburgh Steel, which won a defined benefit pension plan for 4,500 members.
- Creation of the USWA's pioneering Rapid Response program, which activated members and local unions to lobby Congress on issues crucial to working men and women. The more than 160,000 letters to Congress opposing Fast Track trade legislation played a major part in defeating that measure.

Becker has given the USWA a strong voice in Washington, testifying before Congress and meeting frequently with leaders of Congress and the Administration, including President Clinton. He was a leader in the revitalization of the AFL-CIO with the election of John Sweeney as president in 1995. As an AFL-CIO vice president, Becker chairs the AFL-CIO Executive Council's key Economic Policy Committee.

On the world stage, he is an executive committee member of the International Metalworkers Federation (IMF) and chairman of the world rubber council of the International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM).

He was appointed by President Clinton to the President's Export Council and the U.S. Trade and Environmental Policy Advisory Committee, both of which positions enable him to speak out strongly for workers rights.

United Steelworkers of America

Prepared by the USWA Communications Department

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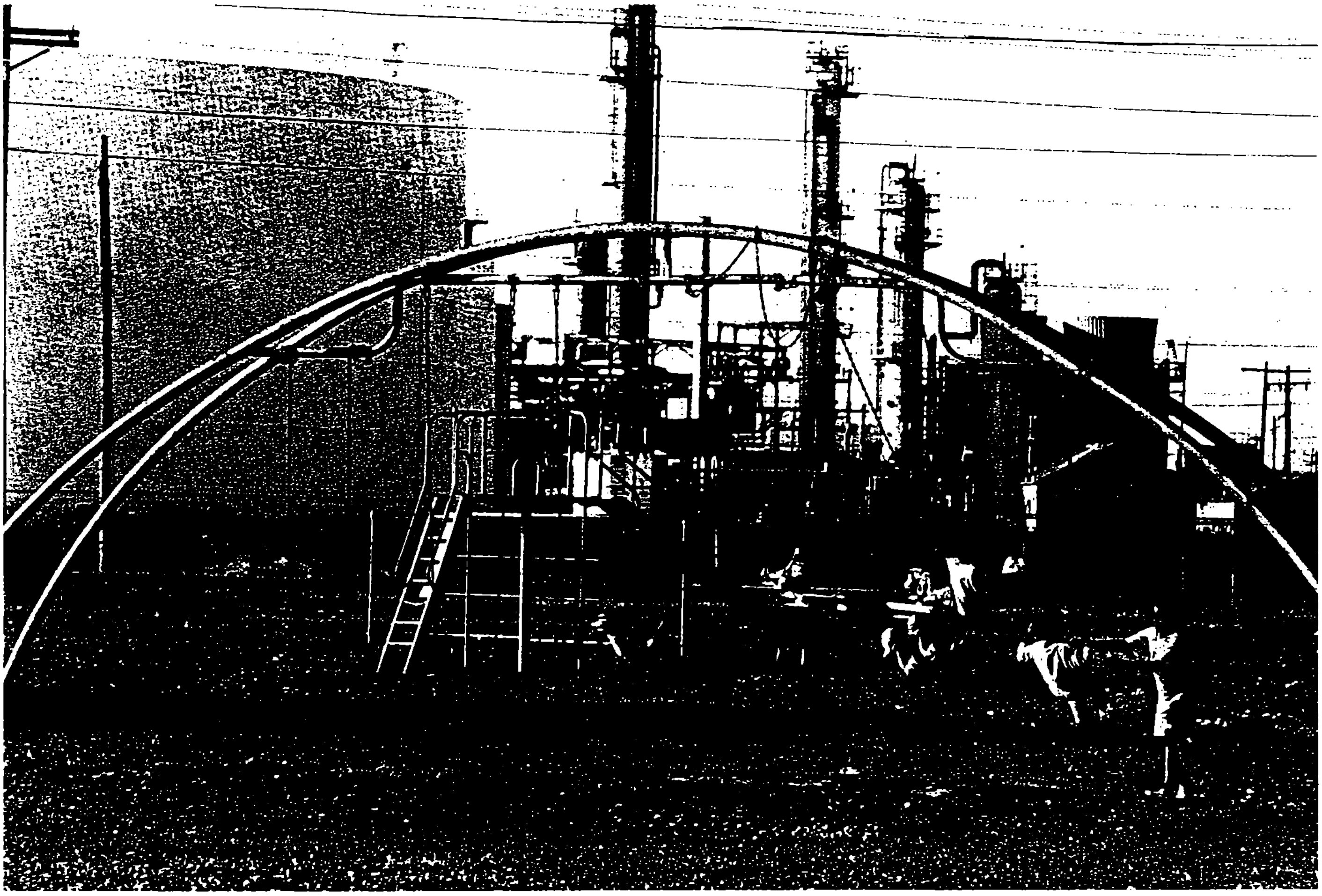


OUR CHILDREN'S WORLD
STEELWORKERS AND THE ENVIRONMENT

Report of the USWA Task Force on Environment
with
The Environmental Keynote Address
at the 25th Constitutional Convention

August 1990

This planet is a beautiful planet. I don't want to see it destroyed for my kids or future generations.

BONNIE GRITZMACHER
Local Union 8823
Buffalo, NY

Global Warming

It may be the single greatest problem we face. Some have compared its possible consequences to the aftermath of nuclear war. And some form of it may be inevitable.

The problem is global warming, a gradual rise in the temperature of the Earth itself, caused by gases we are pumping into the atmosphere. A temperature rise of just 4 degrees Centigrade could melt the polar ice caps, flooding huge areas. Changing weather patterns could turn forests to grasslands, grasslands to deserts. Coastal cities would be submerged, major agricultural regions would be devastated, the weather would turn more violent.

No one can say for certain whether these changes will actually occur, or how severe they will be. Global climate is extremely difficult to predict. But the scientific theory is simple.

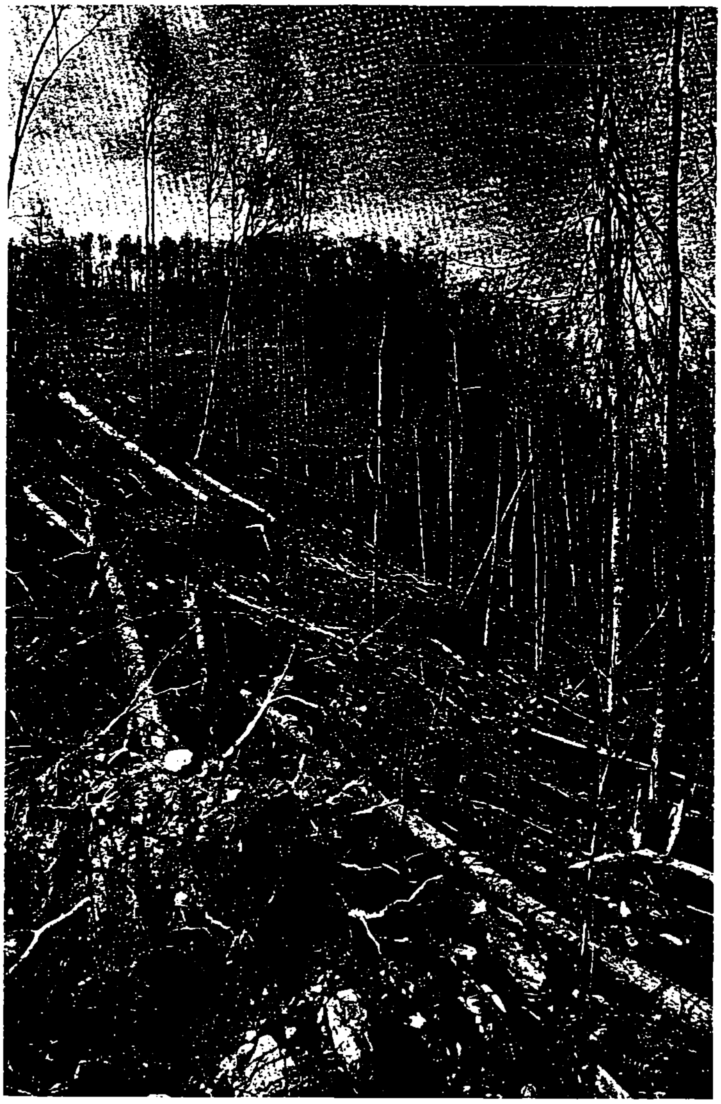
Our atmosphere contains a number of "trace" gases, present in very low concentrations. The most important is carbon dioxide. Carbon dioxide has a special property: it traps heat that otherwise would radiate out into space, much like the glass in a greenhouse. Hence the name "greenhouse effect." Without some carbon dioxide in our air, the Earth would cool to well below freezing.

MORE THAN 27 MILLION ACRES OF TROPICAL RAIN FORESTS — AN AREA THE SIZE OF PENNSYLVANIA— DISAPPEAR EVERY YEAR.

The problem is having too much. Carbon dioxide results from the burning of fuels containing carbon, like petroleum, coal, natural gas or wood. One mile of driving a car, or one-half kilowatt-hour of coal-generated power, releases about a pound of carbon dioxide. Altogether, 18 billion tons are released every year. Most of the Earth's population contributes three tons per person to this total; North Americans contribute twenty tons each.

Over the last century, the carbon dioxide concentration in the atmosphere has risen by 25%. At the present rate, it could double in the next century, triggering massive changes in the global climate.

In fact, carbon dioxide could increase even faster. This past century's rapid industrialization in the United States, Canada and Europe was fueled by the massive burning of coal and petroleum. If developing countries take the same route, huge amounts of carbon dioxide will be pumped into the atmosphere. China alone has 800 billion tons of coal reserves. But what other route to development can we



life that kept carbon dioxide levels balanced before humans began burning huge amounts of fossil fuels and wood.

Forests are, therefore, the lungs of the Earth. But our forests are being destroyed at an unprecedented rate. More than 27 million acres of tropical rain forests — an area the size of Pennsylvania — disappear every year. For the most part, they are burned, adding still more carbon dioxide to the air.

Deforestation has another consequence. The rain forest is home to millions of species of plants and animals, many as yet undiscovered. Many of these species may be extremely valuable to human welfare. Important new medicines have been derived from rain forest plants, including the most effective treatment for childhood leukemia. But these species are disappearing with their rain forest habitat.

offer, especially when North America continues to be the world's largest producer of carbon dioxide?

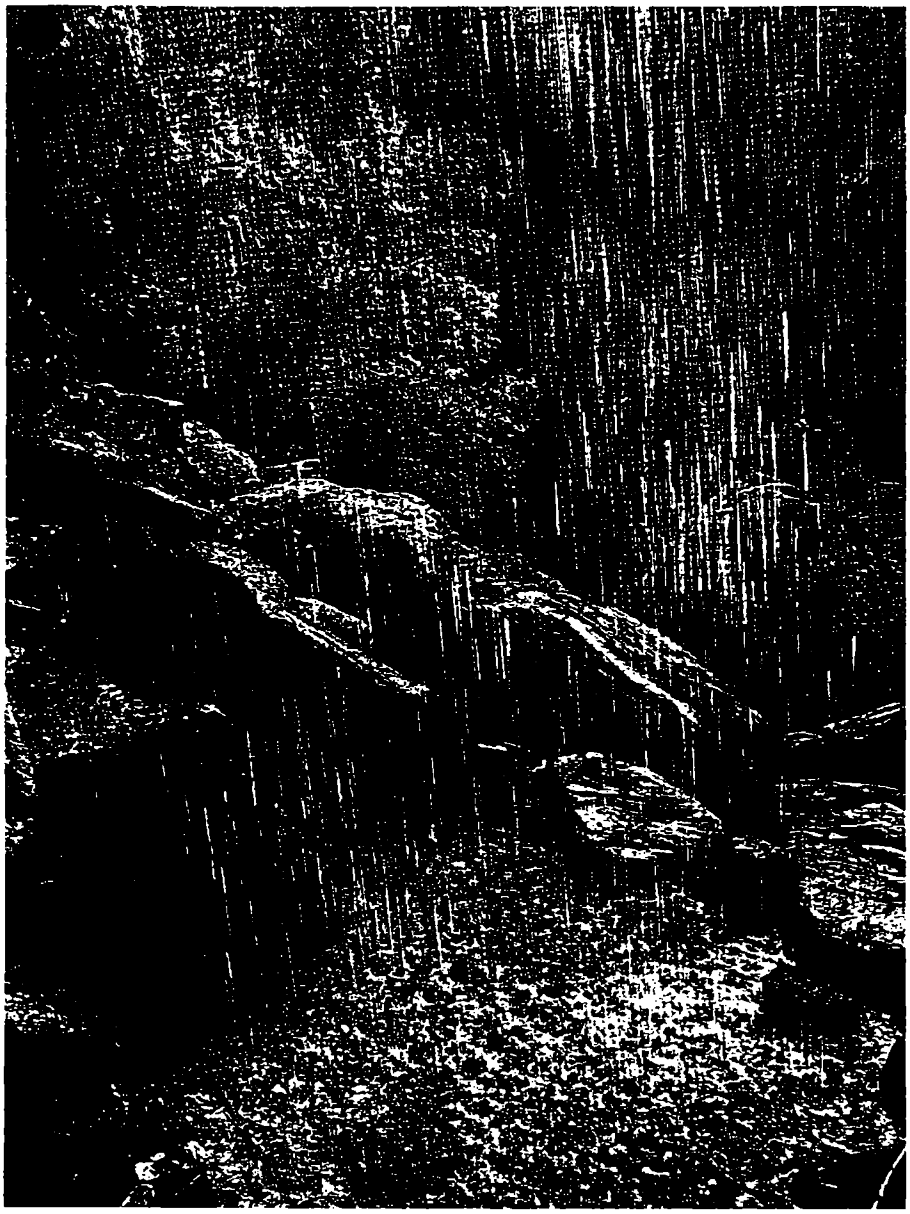
Carbon dioxide is not the only "greenhouse" gas. About 20% of the global warming problem comes from methane, released by decaying organic matter and leaky natural gas systems. Other industrial chemicals or pollutants are responsible for 25% of the problem. The levels of all these gases are increasing in the atmosphere, mostly as a result of human activities.

Deforestation

Green plants remove carbon dioxide from the air and put oxygen back in. It was plant

Much of the cleared land is used for agriculture, in some cases for huge ranches exporting beef to richer countries, in other cases for subsistence farming by those driven to the countryside by urban poverty. But rain forest soil is low in nutrients, so the farmers and ranchers usually have to clear another stretch in a few years. Sometimes the land is logged, often to gain foreign exchange to repay the enormous foreign debts owed by many developing countries.

Saving the rain forests of the Amazon basin has become a major issue for the people of that region, often at great cost to their own safety. One example was Chico Mendes, the leader of a union of Brazilian rubber tappers who depend on the forest for their livelihoods. Mendes gained worldwide



attention through his fight to stop the unrestricted clearing of rain forest land by wealthy ranchers. But in 1988 he was gunned down, joining thousands of workers, peasants and Indians who were murdered when they got in the way of the developers.

The problem of deforestation is not confined to the tropics. The old growth forests of North America are even more efficient recyclers of carbon dioxide. They too are being destroyed by massive logging.

The logging has become a difficult issue in the Pacific Northwest, British Columbia, Northern Ontario and Alaska. Lumber companies and their workers understandably want the right to continue to log. Environmentalists point out that, at current rates, the old-growth forests will only last another decade or so, and that the industry has lost far more jobs through productivity improvements than it will by restricting logging to younger trees, at a rate no faster than they can be replaced by new growth. In addition, environmentalists ask how we can expect developing countries to protect their ancient forests, when we will not protect our own.

Ozone Depletion

Carbon dioxide is not the only trace gas threatening the planet. Chlorofluorocarbons (CFCs) are a group of chemicals including Freon and Halon. They are widely used as refrigerants, solvents, fire suppression agents, aerosol propellants, and in the manufacture of plastic foams.

CFCs, and certain chlorinated solvents, can float to the upper levels of the atmosphere, where they react with naturally occurring ozone gas. Ozone is a poison at ground level, but 30 miles up it shields the Earth from damaging ultraviolet radiation. If we lose the ozone layer, the result will be widespread skin cancer, crop failure and the extinction of many species of animals and plants.

CFCs are extremely stable. They can last for 75 years or more in the upper atmosphere. One molecule of Freon can destroy a hundred thousand molecules of ozone. Holes in the ozone layer have already begun to appear around the north and south poles, where frigid temperatures accelerate the process. CFCs also contribute to the greenhouse effect and global warming, through an entirely different mechanism.

Fortunately, we have begun to control this problem. New international treaties will lead to the eventual phase-out of CFCs and other ozone-damaging chemicals. Many companies are working on substitutes. Allied Signal, for example, was once a major producer of CFCs. At its Buffalo Research

Lab, whose 70 workers are represented by USWA Local Union 8823, the company is researching HCFCs (hydrochlorofluorocarbons), compounds similar to CFCs, but far less destructive to the ozone layer. HCFCs may provide a transition to substitutes that will not damage the atmosphere at all; Allied Signal is working to develop those substitutes as well.

The Oceans

On March 24, 1989, the oil tanker Exxon Valdez spilled 11 million gallons of oil into Alaskan waters. The accident could have been much worse; the spilled oil represented only 6% of the ship's cargo. Even so, the shoreline more than 100 miles away remains polluted with oil, despite billions of dollars of "clean-up." The ultimate damage to the environment will not be known for years.

Oil spills are not the only threat to the oceans. About one quarter of North American waste water is dumped directly into the sea, including millions of pounds of toxic chemicals. Some solid waste also is dumped at sea, out of sight of the shore. The hypodermic needles and other medical waste washing up on our beaches are only the most visible signs.

Much of the life of the sea is nurtured by natural bays and marshes along the coastline. But many of these natural areas have been destroyed by unrestrained development.

The pollution of the seas already threatens shellfish in many areas. In the future, it could seriously diminish the supply of fish needed to feed the world's population. Plankton — microscopic marine plants — help remove carbon dioxide from the air, and provide the ultimate food source for most creatures in the ocean's food chain. If they are lost by oceanic pollution, the result will be global catastrophe.

Population

In 1800, at the start of the industrial revolution, the Earth's population stood at about 500 million. Today, it is ten times greater — 5.2 billion. At current rates it will double in less than 40 years. Most of this growth will take place in developing countries.

Some environmentalists believe that overpopulation is a fundamental cause of environmental degradation, and that famine in Ethiopia and other countries is a natural result. Some have even suggested that such famines are a regrettable, but natural, means of bringing population into "balance." However, the world produces more than enough food to feed its current population.

ABOUT ONE QUARTER OF NORTH AMERICAN WASTE WATER IS DUMPED DIRECTLY INTO THE SEA.

For example, enough grain is produced to give everyone on Earth two loaves of bread a day. Even more could be produced through more efficient use of our agricultural resources.

The real problem is one of distribution — of poverty and wealth. Most poor countries, Ethiopia included, could feed their own populations through agricultural and economic development. Done right, that development could occur in ways that do not cause environmental damage.

In fact, development also is linked to population. It is no accident that rich countries are approaching stable populations, while poor countries must deal with rapidly increasing numbers. Persons in impoverished societies tend to have more children, because children, and what they can earn, are essential to survival. Population growth cannot be limited without a worldwide attack on poverty.

A UNION ISSUE?

The problems of acid rain, global warming, ozone depletion, oceanic pollution and world poverty remind us that we can no longer think of ourselves solely as citizens of the U.S or Canada, or even as North Americans. The potential catastrophe is global. Environment must be a global issue.

But is it a union issue? Should we work to protect the environment merely as good citizens, or is there a special role for our union to play?

We believe the answers are clear. Environment is an essential union issue. Environmental work must be part of our mission at every level of the union. The reasons are several.

I would like a cleaner environment because I have a daughter with two lovely grandchildren, and I owe it to those grandchildren, and I've had a great life and I'd love them to have a better life.

DOUG SWANSON
Local Union 480
Trail, BC

▪ *First, we must protect our children's world.*

Steelworkers have always fought for a better life for their children. Most of us are the descendants of immigrants who came to the United States or Canada seeking a better future, not just for themselves, but for later generations as well. They sacrificed enormously to build a finer tomorrow for their offspring. They created this union as a force to ensure that their sons and daughters would have a better life.

Today, the greatest threat to our children's future may be the destruction of their environment. Some of the worst consequences of environmental damage, such as global warming and the death of the oceans, will not occur in our lifetime. But they could devastate the world of our children.

Some people believe that we can leave the problem to future generations. That is a delusion. Like a bad debt, the cost increases every day. CFCs were first developed in the 1930's. By the early 1970's several scientists warned about their capacity for damaging the ozone. However CFC manufacturers, led by DuPont, argued for delay. CFCs were banned from aerosol sprays in the U.S. and Canada in 1978, but other uses quickly filled the gap. It took almost ten more years to achieve an agreement cutting the use of CFCs, during which time 15 billion pounds were produced. The ultimate damage will be much greater as a result.

The longer we wait, the worse it will get. It will cost billions to clean up toxic waste problems that could have been avoided for far less money, and with far fewer cases of death and disease. It will cost our children much more to tackle these problems than it will cost us. Leaving it all to them is the worst sort of irresponsibility.

THE GREATEST THREAT TO OUR CHILDREN'S FUTURE MAY BE THE DESTRUCTION OF THEIR ENVIRONMENT.

▪ *Second, protecting the environment ultimately protects our jobs.*

At first glance, this seems to run counter to everything we have heard about environmental issues. The common assumption seems to be that protecting the environment will destroy the jobs of thousands — maybe millions — of workers in our basic, smokestack industries. Which view is correct?

In a technological sense, the solutions to environmental problems are within our grasp. Some may require continued research while we take the first steps, but none are beyond our technical capacity.

Air and water pollution can be virtually eliminated by redesigning manufacturing processes, switching to cleaner products, installing good control technology, and recycling more of what we currently throw away.

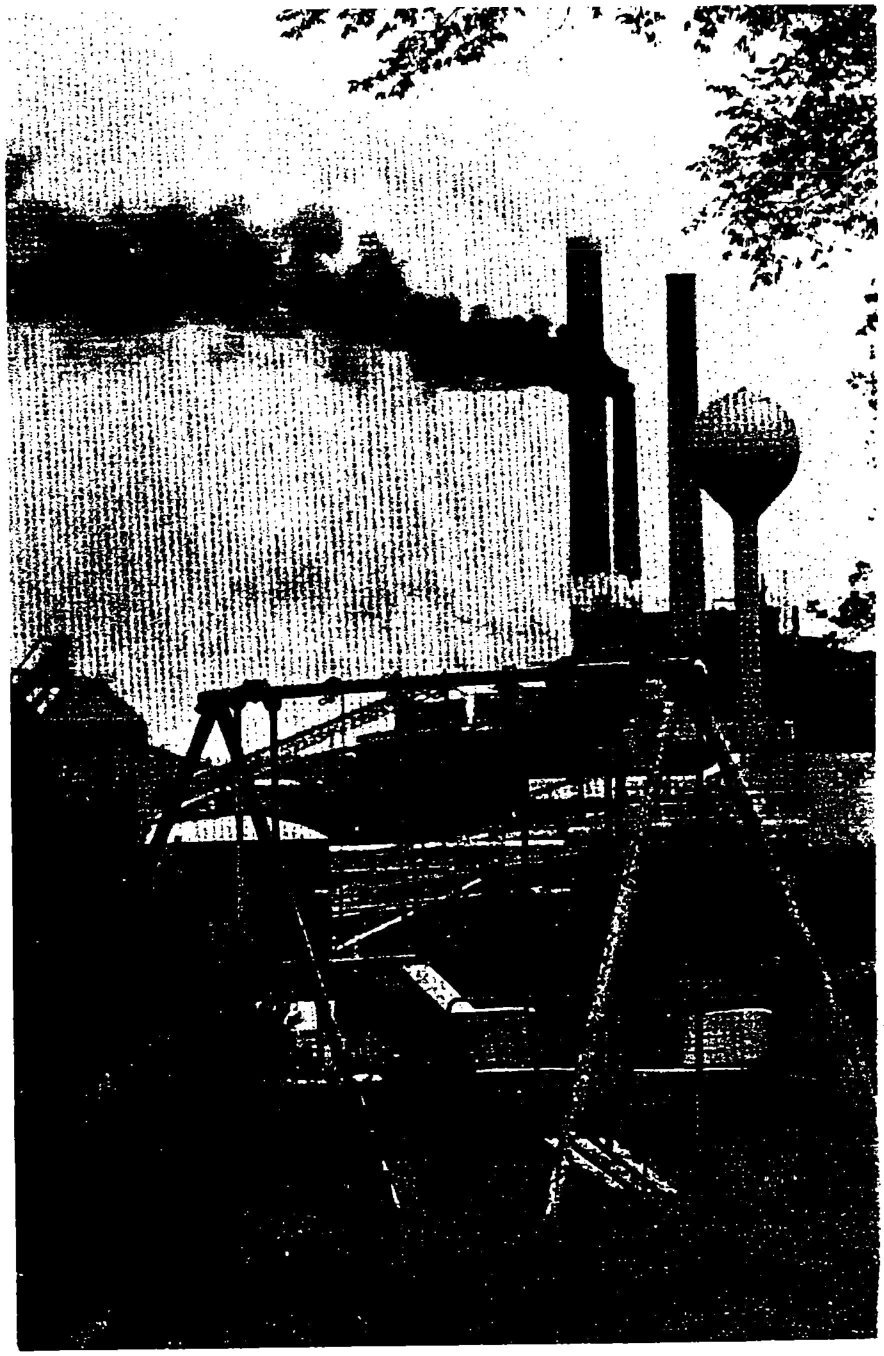
Many toxic chemicals can be replaced by safer ones. Those that cannot, can be confined to closed manufacturing systems and recycled after use. Abandoned waste dumps will be with us for a long time, but they too can be cleaned up through a concerted program.

Acid rain is caused by a particular form of air pollution — oxides of sulfur and nitrogen. Acid rain can be controlled by capturing those pollutants through the use of scrubbers and other devices installed on power plants, certain industrial sources, and automobiles.

The ozone layer can be preserved by phasing out the chlorofluorocarbons and other chemicals that destroy it. The new international agreements on ozone depletion, and the current research on substitutes, show that even worldwide problems can be solved.

Solutions to global warming will be more difficult. Cutting carbon dioxide emissions will take a massive worldwide effort. But it can be done. Immediate gains can be made by more efficient use of energy, such as better building insulation, greater automotive fuel efficiency, new mass transit systems and improved energy recovery in industrial plants. West Germany and Japan, for example, are almost twice as energy efficient as North America, as measured by the amount of energy it takes to produce an equivalent amount of gross national product. In the long run, alternate non-polluting sources of energy like solar power can largely replace fossil fuels. Coal and petroleum could then be used as feedstocks for the chemical industry, creating new products instead of being wastefully burned.

None of this, however, will be easy or cheap. The real problems are not technical — they are economic and political. Our society will change enormously, either through our efforts to save our environment, or because environmental destruction finally overwhelms us. As a union, we cannot stand aside from these issues. Difficult choices will have to be made. The only question is who will make those choices, and how? Will working people be the victims of change, or will we help control



that change to the benefit of ourselves and our children?

Steelworkers have heard the jobs argument before. For many years companies have tried to use economic and environmental blackmail on the union and its members. In every fight for a new health and safety regulation, or better wages, or improved pensions, there is a corporate economist to tell us that if we persist, the company or the industry will fold, with hundreds or thousands of lost jobs. It rarely turns out to be true, and for good reason. Someone has to design the cleaner process or equipment. Someone has to build it. Someone has to install it. Someone has to operate it. Someone has to maintain it.

In the long run, the real choice is not jobs or environment. It's both or neither. What kind of jobs will be possible in a world of depleted resources, poisoned water and foul air, a world where ozone depletion and greenhouse warming make it difficult even to survive?

We have had an increase of approximately 60 people. These 60 jobs are a direct result of protecting the environment.

Dick Ruzekowicz
Local Union 7474
Cicero, NY

Even in the short run, companies that exist only by destroying their resource base, or pushing their environmental costs off onto others, will not be in business very long. Some plants have shut down, not because they acted responsibly toward their neighbors, but because they did not. For example, the Johns Manville Corporation declared bankruptcy in 1982 after projecting billions of dollars of potential liability for diseases caused by the company's failure to warn users about the risks of asbestos. Thousands of workers lost their jobs in the resulting shakeup.

Jobs can be lost in any time of change — and the changes ahead are enormous. Sometimes the cause is short-term greed, the desire to make a fast buck and get out, abandoning workers and the community. Sometimes the cause is management's unwillingness or inability to adapt to changing conditions. The Ethyl plant in Baton Rouge, Louisiana, was a major producer of lead additives for gasoline. When the government banned leaded gas in 1985, management shut the plant down, putting more than a thousand members of USWA Local Union 12900 out of work. Yet the plant could have adapted to the manufacture of other products, as Allied Signal is doing in the example cited earlier.

Some corporate managers try to pass the cost of their own misdeeds off onto their workers. For example, at Uniroyal Chemical, near Guelph, Ontario, 230 members of USWA Local Union 13691 went on strike in May 1990, when the company demanded concessions in order to pay the cost of cleaning up a leaky, poorly designed waste site.

Some companies understand that their own survival depends on their environmental record. But many do not. We cannot expect the company or the government, or for that matter the environmental community, to defend our interests for us. Protecting our children's future and our own jobs requires collective bargaining and political action. We must push our own companies to improve, not only as a way of protecting the environment, but as a way of preserving jobs as well.

WE MUST PUSH OUR OWN COMPANIES TO IMPROVE, NOT ONLY AS A WAY OF PROTECTING THE ENVIRONMENT, BUT AS A WAY OF PRESERVING JOBS AS WELL.

At the same time, we must recognize that some plants will close no matter what we do. It does not help these workers to argue that other jobs will be created somewhere else, in some other industry. Protecting the environment may create jobs on the average, but displaced workers need jobs themselves, not the knowledge that some other worker is benefiting from their sacrifice. It is, after all, the worker, not the government or corporate stockholder, who has the most to lose when a plant closes.

It is fundamentally unfair to require working people to absorb the cost of environmental controls that benefit society as a whole. Nor is it politically workable, since it inevitably creates opposition to environmental reform, and pits workers against environmentalists.

The only answer is to link environmental issues with economic justice. In particular, income protection and job retraining should be automatic for workers who are displaced because of new environmental regulations, or the failure of their employers to adapt. For example, the USWA and other unions are lobbying intensively to add an Environmental

Adjustment Assistance provision to environmental legislation in the U.S. Congress, and to make similar improvements to the unemployment compensation systems in Canada.

In addition, companies that curtail operations temporarily in order to install new equipment, or to comply with pollution regulations, should be required to continue the earnings of affected workers. In fact, such a provision was written into the 1977 Clean Air Act Amendments in the United States, for workers in copper smelters that shut down temporarily in order to reduce their average emissions to allowable levels. At the Rocky Flats nuclear plant in Golden, Colorado, USWA Local Union 8031 won an order from the U.S. Department of Energy requiring full earnings protection while production was suspended for a thorough cleanup.

Ultimately, protecting the environment will require cleaner products, methods of production and sources of energy. That, in turn, will take research. For example, the U.S. Department of Energy has joined with several major steel companies to develop a direct steelmaking system that bypasses coke ovens and blast furnaces. The new method could greatly cut steel plant pollution, and increase the competitiveness of North American companies. But without proper planning, it could affect thousands of jobs and further impoverish steel communities. Technological improvements are essential to a cleaner environment. However, new technology — especially that funded by the government — must be subject to democratic planning, and introduced in a way that protects the economic interests of workers and communities, as well as companies.

We cannot serve our members by ignoring environmental issues. We cannot protect them by pretending to resist change. Our mission is to adapt to change and to channel it for the long-term benefit of our members and all working people.

It's possible to have environmental control and keep jobs. It has been done here. What happens is new jobs are created, and old jobs working in the dirt or fumes are canceled, so it's a better way of living.

YVES MEUNIER
USWA Staff
Montreal, PQ

■ ***Third, environmental issues are linked to all the other issues confronting us.***

Economic forces are the key to almost every union issue. Environmental issues are no different.

Companies usually try to "externalize" their costs — to make someone else pay part of the real cost of production, for example when workers are asked to pick up part of the cost of their health insurance.

Sometimes those costs are hidden. Bad working conditions lead to an increase in occupational accidents and illness. Some of that cost is paid by the workers' compensation system; most of it, however, is absorbed by the victims themselves in disability and lost income, and by all the rest of us, in higher overall medical and insurance bills.

Often these externalized costs are much larger than the costs the company avoided by refusing to improve conditions in the first place. But the company's concern is its own bottom line, not the overall cost to society.

As Steelworkers, we understand this process well. Our efforts to win higher wages, improved pensions, adequate insurance and safe working conditions are efforts to stop the company from dumping its costs onto us.

Environmental economics work the same. Some companies try to maximize their profits by ignoring the cost to the environment. Pollution is pumped into the air and water, toxic chemicals are allowed to escape, greenhouse and ozone-depleting gases are generated because the cost to the environment never appears in the company's balance sheet.

But the cost is real. And while the cost of environmental damage may be external to the company, the Earth itself is a closed system. Considering the Earth as a whole, there is no such thing as an external cost.

A healthy economy is essential to a healthy environment. Protecting the environment ultimately means more efficient production, with less drain on the Earth's resources, and less waste. But it will cost money to research, design and implement new controls; it will cost money to substitute new products for old.

Economic justice is critical. In a full-employment economy, workers displaced because their companies failed to adapt will find new jobs. Union rights are important also, to ensure that the jobs provide decent wages and benefits.

In fact, the environment impacts almost every union issue. Our health care system, for example, is stressed by the burden of environmental disease. The problems of poor people and minorities are made worse by the fact that they are often forced to live in the most polluted areas.

On a global scale, it is useless to work for a clean environment without also working for economic justice and human rights. It is no accident that the countries of Eastern Europe, where free speech was suppressed for so long, where free trade unions were outlawed,

ON A GLOBAL SCALE, IT IS USELESS TO WORK FOR A CLEAN ENVIRONMENT WITHOUT ALSO WORKING FOR ECONOMIC JUSTICE AND HUMAN RIGHTS.

where all the decisions were made by a small and privileged elite, are among the most polluted on Earth. It is no accident that the residents of the Black townships of South Africa suffer high rates of respiratory disease brought on by ferocious levels of air pollution.

Some companies may try to avoid strong environmental regulations by moving overseas. But the answer is not to repeal our own laws, any more than the answer to global competition is to cut our own wages to poverty levels. Instead, we should work with unions and governments in developing countries to improve conditions there.

A good first step would be to stop making the problems of developing countries worse than they already are. Some industrialized countries have tried to use poorer nations as a dumping ground for toxic waste. That practice should be prohibited by international law. In addition, we should forbid the export of products and processes prohibited in the exporting country because they damage health or the environment, and work to ensure that all other exports can be used safely.

Correspondingly, we should restrict the import of products made in ways that damage the environment. It does not help the world environment to export pollution — and jobs— to countries unwilling to meet fair standards.

Near Sao Paolo in Brazil is a 1.6 million ton steel plant owned by the Brazilian steel company COPISA. The smoke and dust from that plant help give the Cubatao area the nickname "Death Valley." There are reports that hundreds of workers and nearby residents suffer blood diseases due to uncontrolled benzene emissions. Thousands are afflicted by respiratory diseases. Brazil needs steel for trucks, bridges, housing and consumer goods. But the production of the COPISA plant is exported to North America to earn hard currency to pay off Brazil's enormous debt. We need to deal with the problem of Third World debt if we are to control pollution from that plant, or stop the destruction of the rain forests, or solve the other problems of our common global environment.

The World Commission on Environment and Development, set up in 1983 by the United Nations, has defined the goal as "sustainable development," finding a way to meet our present needs without destroying the ability of future generations to meet their own needs. In the words of the commission: "Sustainable development requires meeting the basic needs of all and extending to all the opportunity to fulfill their aspirations for a better life. A world in which poverty is endemic will always be prone to ecological and other catastrophes."

If you have a modern facility that produces less pollution, you certainly have a more secure job and you have a cleaner community to live in.

LARRY DAVIS
Local Union 6787
Burns Harbor, IN

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International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers

IUE

A FORCE FOR
WORKING FAMILIES
AFL-CIO

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EDWARD FIRE
President, IUE

An Ohio native and lifelong union activist, Edward Fire has been president of IUE since November 1996, when he was elected on a roll call vote of membership strength at the union's convention.

He previously served 14 years as secretary-treasurer, the union's second-highest national office. Fire is IUE's fifth president.

IUE was founded in 1949 and today represents some 180,000 active and retired members. IUE members work in a variety of industries, producing products ranging from jet engines to furniture. More than 50,000 IUE members work for two of the world's most profitable corporations, General Motors and General Electric.

Fire, 60, won the IUE presidency in a contested election, basing his campaign on change – primarily improving the union's financial condition and energizing its performance in collective bargaining, organizing and communications.

Fire has been a member of IUE since 1958, when he was hired as a production worker at the Packard Electric Division of General Motors in Warren, Ohio. He served 10 years as president of the 10,000-member Local 717 and five years as president and secretary-treasurer of IUE District Council Seven, a six-state district that is the union's largest.

Prior to becoming national secretary-treasurer of IUE in 1982, he served as chairman of the IUE-General Motors Conference Board, the chief negotiator with GM. He has been a member of the IUE Executive Board since 1975, and served six terms as an AFL-CIO vice president in Ohio before moving to Washington.

In December 1996, Fire was elected as a member of the Executive Council of the national AFL-CIO.

A native of Lowellville, Ohio, he attended Lowellville High School and Youngstown State University. He served three years in the U.S. Navy in the Mediterranean.

Fire has three sons and four grandchildren.

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United Paperworkers International Union

UPIU

October 1997

A Message from the *President*

Boyd Young

All Nations Must Contribute to Solution on Global Warming

This December, U.S. negotiators will go to Kyoto, Japan, to negotiate on proposed new amendments to the 1992 Rio Convention on Climate Change. At Rio de Janeiro, Brazil, the industrialized nations, including the U.S., agreed to voluntary limits on their emissions of greenhouse gases, such as carbon dioxide.

Greenhouse gases, which in addition to carbon dioxide include methane and nitrous oxide, can trap heat inside the Earth's atmosphere in much the same way as glass traps heat inside a greenhouse. Most scientists believe that the human-caused production of these gases via automobile engines, industrial processes, household appliances, power generation and other means is causing the temperature of the entire Earth to rise. Many of these scientists believe there is a potential for disastrous effects if greenhouse gases are not curbed soon.

The voluntary limits set in 1992 unfortunately did not cause the emissions of these gases by the developed countries to go down. Now the Clinton administration is working toward the discussions in Kyoto under the so-called "Berlin Mandate" of 1995, in which the industrial nations agreed to the principle of mandatory limits on these pollutants, and developing nations such as China, India, Mexico and Indonesia won a complete exemption from any mandatory requirements.

If mandatory curbs on greenhouse gases are not extended to all nations, it will mean an estimated loss of 1.6 million jobs in the U.S. and massive job loss elsewhere in the industrialized world. Energy-intensive industries that face costly limits in these countries will not only have an incentive to shut down, they will have a huge incentive to move jobs to those countries that are not subject to the limits.

Another bad consequence of the Berlin Mandate is that the world's overall emissions of greenhouse gases would still increase as energy-efficient mills and plants in industrial countries are replaced by less-efficient facilities in other nations. In fact, even if no mandatory limits are set on industrial nations, the developing countries will still emit a greater and greater share of the world's greenhouse gases.

There is no sense to an attempt to deal with a global problem by regulating only one part of the world. Not only is it wrong, it just won't work. The irony is that if developing countries were subjected along with the rest of the world to reasonable curbs on greenhouse gases, these nations and their investors would have a large incentive to develop energy-efficient industries from the start, and would not then have to spend enormous resources on re-tooling when their greenhouse emissions "catch up" with the rest of the world.

The AFL-CIO and the worldwide trade secretariat, the Intl. Federation of Chemical, Energy, Mine & General Workers Unions (ICEM), have called on the U.S. and the other developed nations to insist that any mandatory provisions of the proposed global climate-change agreements include appropriate limits for both industrial and developing countries.

On August 1, the U.S. Senate overwhelmingly passed a resolution asking the U.S. to reject any treaty that fails to include developing countries in any mandatory limits. No treaty negotiated by the administration can take effect in the U.S. unless it is ratified by the Senate.

Before signing any climate treaty that includes mandatory limits, the Clinton administration needs to do a thorough study of the economic and social impact of greenhouse-gas limits, particularly those that do not apply to all nations. This is essential—in part because the threat of industries moving to evade the proposed limits is a threat of economic harm to the developed world, and a threat of environmental harm to the entire world as greenhouse emissions continue to increase. Furthermore, if the ultimate treaty does not include any provisions mitigating its economic and social effects on working people, it should not be signed or ratified.

Our government negotiators need to accept nothing less than a true worldwide treaty that includes all countries in its standards. If the developing countries are not part of the solution to the global-warming problem, there will be no solution.

Boyd Young

Keith D. Romig, Jr. Ph.D.

Keith Romig has been the communications director of the United Paperworkers International Union (UPIU) since August 1997. He also serves as a key advisor to UPIU President Boyd Young on public policy issues such as worker education and international trade, and environmental issues including forest policy and climate change.

He is a member of the steering committee of the Manufacturing Skill Standards Council, represents the union on several national labor-management committees and serves as its international liaison. As communications director, he overseas the UPIU's national monthly publication, The Paperworker, the union's site on the World Wide Web and its publicity programs.

From 1991-97, he worked on the UPIU's mobilization efforts and contract campaigns. This service included publicity, video production and member mobilization and training in the field. In addition, he served as the union's policy and technical advisor on the EPA Cluster Rule for the pulp and paper industry.

He received a Ph.D. in Chemical Engineering from the University of Colorado in 1987.

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International Association of Machinists and Aerospace Workers

IAM

LABOR NEWS

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS

R. Thomas Buffenbarger
IAM, International President

On July 1, 1997, Robert Thomas Buffenbarger took the oath of office as the 13th International President in the 109-year history of the International Association of Machinists and Aerospace Workers (IAM).

At 47, he is the youngest International President the IAM has had in more than four decades. But Tom Buffenbarger has been an IAM member for more than half his life, as a 27-year member of IAM Local 912, which represents workers at the General Electric jet engine plant in Evendale, Ohio, just a stone's throw from Cincinnati. Tom learned his trade there, as an apprentice and eventually as a journeyman tool & die maker in the big engine plant.

He was the first of five children born to Bob and Betty Buffenbarger. He did all the "things" that kids growing up in the sixties did. He was a Boy Scout; played high school baseball; enjoyed hunting and fishing; went to college; was a fan of Bobby Kennedy, John Lennon, the Cincinnati Reds and Pete Rose.

When it came to choosing his life's vocation, it was easy. His father provided a good life for Tom and his three brothers and one sister. He was going to become a machinist – a tool and die maker – at GE's jet engine plant.

Tom was following in the big footsteps of his father who also worked on building jet engines in the GE plant. But more importantly, the senior Buffenbarger was active in his union, also Local Lodge 912. As a result, his son grew up in a union – an IAM – household.

So, Tom Buffenbarger has had the IAM running through his blood and his heart, for virtually all of his 47 years, not just the 27 years that he's been paying dues.. And that's the kind of background that he brings to the IAM's highest office. It's one of a contemporary vision growing from a high tech environment, but built on the rock-solid foundation of a union family steeped in the traditions that built our nation's trade union movement around the turn of the last century.

Tom Buffenbarger assumed his first leadership post in the IAM in 1970, at age 20, when he was elected shop steward of his apprenticeship class at the GE engine plant. Seven years later Buffenbarger was elected to his first full time union post, as business representative for IAM District 34 in Cincinnati. In 1980, he was appointed as an IAM Special Representative on the union's international field staff. Three years later he was named Administrative Assistant to the General Vice President based in Cleveland, Ohio.

Buffenbarger came to IAM headquarters in 1986 to work in the IAM Organizing Department. One year later he was appointed Executive Assistant to the International President. In 1991, he was appointed a General Vice President, assigned to union headquarters in Upper Marlboro, MD. In that capacity, he served as chief of staff for all headquarters operations. He was subsequently re-elected in1993 and served in that post until his election as International President in 1997.

Among his responsibilities as an elected international officer of the IAM, Buffenbarger has co-chaired the Machinists Non-Partisan Political League, the union's national political arm. He also chaired a blue ribbon commission which convened 40 union town hall meetings to listen to IAM members across North America..

Buffenbarger is married. He and his wife Linda, have two children, Amy and Andrew. They live in Brookeville, Maryland.

Status of Industry Consultations

As part of the domestic policy program on climate change that the President announced last October, the Administration has been conducting consultations with a variety of industry sectors. In many cases, these consultations build on partnerships that agencies such as the Department of Energy or the Environmental Protection Agency have formed with industries or individual companies over the last several years in programs like ClimateWise, Climate Challenge or Industries of the Future. Our process has three main stages:

- Scoping Sessions at Staff Level. The purpose of these meetings is to outline the Administration's goals and to scope out the issues industry feels need to be resolved in order to take effective action on climate change. These scoping meetings also set the stage for a higher-level meeting. The Climate Change Task Force is currently engaged in this stage of the process with airlines, chemicals, electronics/semi-conductors, glass, metal casting, and oil. We have also engaged labor staff.

2. CEO Meetings. The purpose of these meetings is to engage the CEOs of leading companies in each of the industry sectors to discuss their views and concerns about climate change, to lay out our interest in encouraging voluntary industry steps to reduce greenhouse gases, and to solicit their ideas about ways the federal government could help. We have held CEO-level meetings with: aluminum, cement, investor owned electric utilities, publicly owned electric utilities and rural coops, forest products, gas pipelines, and steel.

3. Partnerships. What we hope will follow from these CEO meetings is a deeper engagement that moves from the broad discussion of principles down to specific ideas about how companies and industries can develop plans to reduce their emissions and what concrete actions they would like to see the federal government take. As an example, virtually all the industries we have talked with expressed interest in legislation that would award credit to companies that take early action to reduce greenhouse gas emissions. We are currently involved in this kind of follow-on process with aluminum, electric power, forest products, and steel. Our objective is for these discussions to lead to companies taking on a stretch goal for reducing emissions and developing a plan to reach the goal. As companies and industries work to develop plans to reduce emissions, we think it will be important for them to engage with and solicit the ideas of their workers and unions.

Park it separate but don't close off possibility of open [illegible] of [illegible] impact

Status of Industry Consultations

Transition

I. Overview

The industries we have been consulting with are:

- 10 ways to improve & how we can help
- Share w/ unions

- Airlines
- Aluminum
- Cement
- Commercial Buildings
- Chemicals
- Electric Power
- Electronics/Semi-conductors
- Forest Products
- Gas Pipelines
- Glass
- Metal Casting
- Oil Refining
- Steel

The government also sponsors partnerships with other sectors to promote specific greenhouse gas or energy efficiency goals: Residential Building PATH (Partnership for Advancing Technologies in Housing) and Automobile PNGV (Partnership for a New Generation of Vehicles.

The Task Force will also determine the appropriate venue for involving the "solution" companies in the dialogue on emissions reductions.

Our process of industry consultations has four main stages:

1. Scoping Sessions at Staff Level. The purpose of these meetings is to outline the Administration's goals and to scope out the issues industry feels need to be resolved in order to make commitments. These scoping meetings also set the stage for a higher-level meeting.

2. CEO Meetings. The purpose of these meetings is to engage the CEOs of leading companies in each of the industry sectors in setting a common vision for our voluntary process and to invigorate the staff-level process with buy-in from the highest levels.

3. Issue Resolution and Technical Follow-up. In each of the CEO meetings, technical issues are raised which require resolution. After CEOs review the potential range of opportunities and barriers, they usually charge their staffs to work with the Administration to resolve these issues. CEOs generally take on a high level of engagement in the follow-up process to ensure that progress is made at the staff levels.

4. Final Agreements. We are still aiming for the first round of agreements this year. These

may take the form of a greenhouse gas reduction pledge and a process to complete the other elements of a final agreement. These agreements will be further refined during follow-up meetings.

II. Status of Consultations

Airlines

A scoping session and several follow-up meetings have been held with association and industry staff. The airline industry is considering establishing a senior-level industry/government working group to review their issues and develop strategies.

Aluminum

A CEO-level meeting was held 7/8. The group agreed in principle to work on the four elements of an agreement and asked for a follow-up technical staff level meeting to resolve a set of detailed issues raised during scoping meetings and the CEO meeting. The first follow-up meeting was held 7/28. WHCCTF, EPA, DOE, DOC, and DOJ staff participated to answer the questions raised at the CEO meeting. Staff agreed to take the answers back up their management chain and come back to the WHCCTF with a proposal on next steps.

Cement

CEOs met with Administration staff on 7/22. They indicated their willingness to participate in the process. Task Force staff and individual companies have conducted informal follow-up discussions. Formal technical follow-up is scheduled in cooperation with the American Portland Cement Alliance has agreed to work with us to set this up.

Chemicals

Several staff-level scoping sessions have been held. The industry has expressed interest in moving forward. EPA is holding a workshop to outline low-cost options for reducing emissions and the Chemical Manufacturers Association is holding a climate change conference this Fall to continue to resolve issues raised in scoping sessions.

Electric Power

Under the umbrella of the *Climate Challenge* program, meetings were held at the staff level to review the progress under *Climate Challenge* and determine what the next steps are. Two CEO level meetings were held. The first meeting, with public power and electric cooperatives, was held on July 10. The municipal CEOs gave their initial support for the process. We are awaiting feedback from the electric cooperatives. The second meeting was held on July 31 with investor-owned utilities. They proposed setting up a Task Force to work with the Administration to address how emissions compliance requirements might be improved to promote energy efficiency and carbon mitigation. They also agreed to actively participate in discussions to develop a Credit for Early Action program, propose an incentive package which would encourage more aggressive reductions, and proposals to resolve problems associated with premature retirement of supply options.

Forest Products

A CEO-level meeting was held 7/23. The CEOs expressed grave concerns about being priced out of the market if they were the only companies in a world-wide market facing environmental compliance costs. They expressed cautious support for continued engagement in the process. A technical level meeting was held 8/10 to address a set of issues they have identified. Several groups are currently working to resolve issues raised at the CEO and staff levels.

Gas Pipelines

A CEO meeting was held 9/17. The group agreed to engage in a process with the Administration to determine how to address the four elements of an agreement and to determine how to reduce impediments to increased natural gas usage.

Glass

The first scoping meeting was held 7/28. The industry sees themselves as a solution for other industries (insulation, fiber optics, ceramics, efficient windows), but are willing to look at their own emissions as well. They will come back to the WHCCTF with a proposal.

Metal Casting

The first scoping meeting was held 7/27. They agreed that they need to get a handle on their emissions profile and then develop options for reducing emissions. They agreed to develop a scope of work for a cooperative process with the Administration to determine what kind of commitments they could make.

Oil Refining

A meeting was held May 11 with senior executives from 6 companies. They expressed a willingness to discuss options with the Administration, but were unwilling to commit to reductions goals at that time. Recent follow-up conversations are slightly more positive.

Steel

A meeting was held with CEOs on July 16. They expressed some willingness to work with the Administration, but asked for time to talk amongst themselves before committing to take the next step with the Administration. A technical level meeting is scheduled for October.

(1) Basic Reg

(2) How industry consultations are going
straight talk

(3) ELF - labor into process?

Draft: September 21, 1998

PRELIMINARY DRAFT: LABOR CONSULTATIONS

- First, we are working to ensure that climate concerns are met in the most economic ways possible, avoiding harsh impacts on companies, workers and communities.

  -- We support numerous kinds of flexibility -- in where, when and what emissions mitigation strategies can be used. All of these lower compliance costs and mitigate impacts on workers and communities. We advocate use of an emissions trading approach that achieves the environmental goal at the least possible cost.

  too Jargony

  -- We oppose costly "command and control" environmental policies and punitive "carbon taxes."

- Second, we are working with industries on voluntary emissions reduction agreements that take advantage of "win-win" strategies. We urge these firms to consult with their workers and community leaders to ensure that their voluntary plans benefit from those points of view and, in the end, garner broad support.

  -- To date, we have conducted consultations with aluminum, electric power, steel, forest products, cement, natural gas (pipelines), commercial buildings, airlines, chemicals, oil, glass, metals casting, electronics/semiconductors, heating/cooling and appliances.

  Separate CEO from other

- Third, the President has committed to provide transition assistance to workers and communities that are adversely effected as the nation takes action to mitigate climate change.

  -- Until a complete domestic action agenda is developed, it would be premature to presume impacts on any specific sectors, groups of workers or communities. Still, there are certain sectors that could be identified as "more highly at risk" of employment impacts. For those sectors/workers, early preparedness would be advantageous.

  CC Reverse?

  -- The Administration will begin a process to identify those sectors most at risk, develop a range of strategies to better enable community/workforce transition and propose programs to provide appropriate workforce transition assistance well in advance of any potential impacts of climate policy on particular communities.

  -- While there are some overall trends for some worker groups that will be negative, for many others climate action will be positive. For example, coal mining jobs -- which have been declining over the past two decades -- are likely to decline further, though well functioning "flexibility" policies will dampen this decline significantly.

  -- At the same time, there will be increased employment in other sectors, such as natural gas, renewables and energy efficient equipment (combined cycle natural gas boilers, cogeneration equipment, photovoltaics, wind turbines, geothermal heat recovery equipment, advanced turbines, micro turbines, fuel cells, advanced electronic controls, variable speed drives, lighter weight automotive materials, etc.)