AFL-CIO Executive Council
February 20, 1997
Statement

U.N. CLIMATE CHANGE NEGOTIATIONS

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

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

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

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

As corporations shut down domestic factories, mines and mills as a result of higher energy costs, they will have additional incentives, beyond the search for cheap labor and anti-labor regulatory regimes, to locate new capacity off-shore, in countries with no carbon reduction commitments. Carbon emissions, therefore, will be transferred to the developing world along with the jobs, thus providing no real benefit to the environment.

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

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

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