

**Statement of Richard Trumka
Secretary-Treasurer, AFL-CIO
On Climate Change Negotiations
Kyoto, Japan
December 9, 1997**

I wish to begin by emphasizing that the AFL-CIO will not back down from our commitment to a cleaner, safer environment, nor will we compromise our commitment to assuring stable high paying jobs for workers who might be affected by any policy change.

Let me also emphasize that this process may be the largest policy driven transition ever attempted by a modern society. Yet, to date, too little discussion has been entered into on the impact on working people in developing and developed countries.

The AFL-CIO, in its February 1997 executive council statement, put forward the requirements we believe must be met to achieve a workable and effective climate change treaty that does not damage the American economy. Two of these requirements are similar to those expressed in the Byrd-Hagel Senate resolution.

Requirements of Byrd-Hagel are that a treaty include developing countries in binding commitments for the limitation or reduction of greenhouse gas emissions, and that the treaty not damage the American economy.

We are also concerned that the economic impact of a climate treaty on the U.S. economy has not been adequately analyzed. Moreover, there is little information on the adverse impact on developing as well as industrialized countries.

As noted, an effective treaty must include binding commitments for developing countries. Without their participation, the goal of reducing greenhouse gas emissions cannot be met and in fact will likely be worsened as multinational corporations export not only jobs but also emissions to countries without emissions limitations. Any acceptable solution must avoid such perverse incentives.

Unfortunately, developing countries have remained steadfast in their opposition to such commitments to limit or reduce their emissions of greenhouse gases. On the first day of the third meeting of the Conference of the Parties, developing countries stated their unwillingness to accept any binding commitments. Furthermore, they said they would not accept future negotiations or any process that might lead to binding commitments. Their mission, they said, is to strengthen the commitments of developed countries.

All hope for inclusion of commitments for developing countries for limitations on their emissions appeared to be dashed on Friday afternoon in the plenary session, when New Zealand made their proposal. Although substantially weaker than the standard of the Byrd-Hagel Senate resolution, even this modest proposal was rejected by developing countries. China, the second largest emitter of greenhouse gases and soon to be the largest, India, and other developing countries showed no softening of their attitude. They said “No” to the inclusion of binding commitments, and “No” to any process which might lead to binding commitments.

A treaty that requires binding commitments for reduction of emissions of greenhouse gases for the industrial countries, but not developing countries will create a very damaging situation for the American economy, without producing any real environmental benefit. Such a treaty would require much higher energy prices in industrial countries than in competing developing nations. That would create a strong incentive for production, jobs, and emissions to move to developing countries. Under such a regime, as noted previously, greenhouse gases might actually increase.

An agreement that shifts production and jobs out of the industrialized world to the developing world without environmental benefit is a trade treaty – not an environmental treaty.

If the threat of global warming is to be taken seriously, negotiators should not rush to sign a flawed treaty. An unworkable and ineffective treaty will slow significantly the process of solving this complex global environmental problem.

Kyoto should be seen as an opportunity to put the negotiation process onto more firm ground for the development of a treaty that includes all nations. The flawed Berlin Mandate treaty conditions expire after this meeting, and negotiators will be free to pursue a more rational and reasonable course in future negotiations. There is sufficient time to lay a firmer foundation and to arrive at an effective treaty with a minimum of dislocation and cost to the economy.

I believe the negotiations are in trouble, in part, because they did not have a rational starting point. First, negotiators should pick a concentration level of greenhouse gases that they wish to achieve. The higher the concentration target, the longer the time countries have to negotiate and implement a treaty. After establishing a concentration target, negotiators can then do the difficult work of fitting nations -- both industrialized and developing --into binding requirements for emission limitations or reductions within the same compliance period.

Unfortunately, there has been little discussion of a concentration target in the negotiating process. Instead, negotiators established the agreement called the “Berlin Mandate.” That agreement was the basis for a discussion of flat-rate emission reductions by industrial countries, and specifically ruled out meaningful commitments by

developing countries. The Berlin Mandate agreement thus ruled out any chance to solve the problem of increasing concentrations of greenhouse gases in the atmosphere. And these parameters were put forth without any regard to their effect on working people.

A workable treaty may not be possible in Kyoto, but the negotiations can be a success if they begin to build a firm foundation for future negotiations. Consideration of the impact on working people in developing and developed countries must be a central concern of future negotiations.

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