1. POLICY POSITION

MONITORING GLOBAL CLIMATE CHANGE POLICIES

BACKGROUND

The amount of greenhouse gases in the Earth's atmosphere is increasing as a result of human activities, and this is cause for thorough scientific research and analysis. At present, there is robust scientific debate as to the timing, magnitude or likely regional impacts, if any, of human activities on the global climate. Furthermore, thousands of U.S. companies, in an effort to comply with the aim of the 1992 Rio Treaty, voluntarily participate in U.S. government programs to limit greenhouse gas emissions.

Accordingly, the U.S. government is involved in the negotiations of the United Nations which are aimed at reducing greenhouse gas emissions in the post-2000 period. These negotiations are expected to culminate in an agreement by December 1997 to reduce carbon emissions. However, these restrictions would only be imposed on industrialized nations; whereas, high-growth developing countries like China, Mexico and Brazil would be exempt.

The negotiations are quietly in process and the endpoint is quickly approaching with very little input from the states' policymakers. However, the consequences of a treaty on the U.S. economy have not been fully analyzed and understood. This issue has particular relevance now as states begin to focus on economic development strategies to enhance their competitiveness globally.

Energy use is the foundation for economic growth and a rising standard of living. A growing body of economic studies demonstrates that any U.S. effort to significantly limit near-term greenhouse gas emissions could slow economic growth, cost hundreds of thousands of American jobs, and reduce investments in more energy-efficient technologies or facilities. Ill-advised policies on climate change could raise the cost of monthly electricity, heating, and cooling bills; limit personal mobility; and seriously disrupt our economy. Further, ill-advised policies could be particularly harmful to those on fixed incomes; those living in rural areas and/or dependent on private vehicles to transport themselves and their families to work, school, and stores; and those whose businesses could no longer compete as effectively against their foreign counterparts as a result of the higher cost of fuel.

Indeed, the outcome of a legally-binding agreement could impose a heavy burden on U.S. economic growth. Southern states will be burdened by the loss of manufacturing jobs, as the incentive to move industry abroad to those exempt high-growth developing countries would be heightened. New jobs in Mexico, China and Brazil will likely mean lost jobs in the U.S.

RECOMMENDATION

The Southern Legislative Conference of The Council of State Governments is dedicated to educating its members, constituents and others as to the risk to economic growth and standards of living from ill-advised policies on climate change. Hence, it is critical that state and local governments be made aware of the Administration's plans to proceed with signing a treaty to reduce greenhouse gas emissions.

Furthermore, the Southern Legislative Conference supports climate policies that are balanced and rely on voluntary, cost-effective measures that do not unfairly burden the citizens of a particular community, state or country.

Also, the members of the Southern Legislative Conference believe that the U.S. should not agree to any international global climate proposals that are not justified by sound science and sound economic policy.

Finally, the members of the Southern Legislative Conference request that this policy position be dispatched to the President of the U.S., the Vice President of the U.S., and appropriate members of Congress and Congressional Committees.

Adopted by the Southern Legislative Conference of The Council of State Governments, July 22, 1997, Charleston, West Virginia.

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