The Challenge to Policymakers — Global Climate Coalition

The Science

- The predictions of global warming have come from computer models that will not be verifiable for another decade.
- The more sophisticated the models get, the less disastrous their predictions.
- Current observational data (from NASA satellites and Arctic weather balloons) contradicts the models' predictions (by at least a factor of 2).
- NASA scientist Jim Christy says the satellite data indicates a cooling trend, not warming, since the satellites were launched almost 15 years ago
- Most of the approximately 1 degree of warming that has occurred over the last century happened before 1940 when large scale emissions of man-made greenhouse gases began.
- The "greenhouse effect" has nothing to do with the "ozone hole" issue, a common misconception.
- The "greenhouse effect" is a naturally occurring phenomenon that has existed since life on the planet began. Global warming usually refers to the concern of a "runaway greenhouse effect" whereby, the theory goes, an increase in heat-trapping gases like carbon dioxide will lead to a rapid warming.
- The vast majority of future greenhouse gas emissions will come from the emerging economies of the Third World, not the West.

The Economics

- Studies on the economic impact of stabilizing greenhouse gases at 1990 levels by the year 2000 have been completed by the following organizations: Congressional Budget Office, DRI/McGraw Hill, CONSAD, RDI (Denver),and the Illinois Public Utilities Commission.
- Estimates range, but many of the reports agree that a policy of stabilization would require a $100 per ton of coal equivalent carbon tax.
- Such a carbon tax would pull down the economy by almost 2% of GDP and result in job losses of approximately 600,000 jobs.
- Such a tax would also place U.S. firms at a competitive disadvantage with our international trading partners since the United States is more fossil fuel dependent.
- It is quite possible that it would be more efficient to spend money reducing future emissions in the Third World than to squeeze another 2-5% reduction in U.S. emissions.
- There is a tremendous market for U.S. technology in tackling this problem. The transfer of U.S. clean technology to the developing world would be a "win-win" proposition. Third World emissions go down while their economies grow and American firms reap the benefits. This is one of the policy pillars of the GCC.

The Politics

- The Administration's goal of reducing emissions to 1990 levels by the year 2000 is a political target. It is not based on science or any kind of ecological imperative.
- Even if every developed nation met this target, it would mean little to the model predictions of warming. One scientist told GCC it might delay the projections by a few months, if at all.
- The question then becomes, "what is the basis for the potentially wrenching economic costs of the policies implemented to achieve the targets?"
- There are now more than 18 United Nations agencies involved in the Climate Change issue. It has become an adjunct to the North-South dialogue. A prevailing opinion among developing nations is that it is a great source of aid dollars, but the West better not use it as a way to restrict their efforts to industrialize.
- Millions, perhaps billions of dollars will be thrown at this issue over the next decade. Yet we still don't know if there is a real problem, or if the actions we take will actually have an impact. The issue is so compelling to some, however, that these caveats will carry little weight.
- The Global Environment Facility (GEF) is the primary funding mechanism for the United Nations and the World Bank to distribute the hundreds of millions of dollars targeted to climate change projects. Environmental groups are petitioning the GEF to qualify as recipients of those funds, a substantial boost for their sagging budgets.