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January 4, 1993

Dear Journalist:

With the election of Bill Clinton and Al Gore, and the international momentum in the wake of last year's Earth Summit, energy and the environment will be key areas of debate in 1993, and no doubt, one of the biggest issues grabbing headlines will be global climate change.

As the executive director of the Global Climate Coalition (GCC), I am certain that the climate change debate will continue to evolve through 1993--not only as part of the environmental agenda, but also as a definitive political and economic issue both on the international scene and at home. In fact, our response to climate change questions could make a broader and deeper impact on our country's future than any other issue we confront.

GCC recognizes the importance of the role reporters will play in educating the public and policymakers as the debate over these issues unfolds. Our members are committed to ensuring a balanced, informed debate on all aspects of the climate change issue. The materials in this mailing are an introduction to the Global Climate Coalition and an invitation to tap the Coalition's many resources on climate change.

Since 1989 GCC has helped define and coordinate business' role in the climate change debate. Today, GCC is industry's leading voice on climate change issues. GCC actively supports continued environmental and energy research, intergovernmental cooperation to improve climate change science, and technology cooperation programs with developing countries. These, GCC believes, are the paths to effective solutions to potential climate change challenges.

When covering your angle on the climate change issue in the next year, be it economics, science or policy, please take advantage of GCC's expertise. Also, you may be interested in a response from GCC to a recent article that appeared in <u>The New York Times</u>.

I look forward to working with you in 1993.

John Shlaes

Executive Director

P.S. We have enclosed a GCC rolodex card for your convenience.

Press Office: (202) 628-3622



BACKGROUNDER

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Biographical Profile John B. Shlaes

John B. Shlaes is the executive director of the Global Climate Coalition (GCC), with more than 50 major corporations and trade organizations as members. GCC was formed to coordinate the involvement of U.S. industry in the science and policy debates over global climate change. Representing the GCC, Mr. Shlaes has delivered speeches related to global climate changes to a wide range of international audiences, served as a resource for the media and policymakers, and headed a group of business leaders who participated in the 1992 Earth Summit in Rio de Janeiro.

For 13 years prior to joining GCC, Mr. Shlaes served as director of government relations for the Edison Electric Institute. There, he devised and managed industry-wide congressional, political, coalition and grassroots programs in addition to serving as the utility industry's representative and chief strategist with the White House and Cabinet.

Mr. Shlaes held several key posts in the White House under Presidents Nixon and Ford, including staff assistant to the president, where he directed activities for 20 White House Conferences on domestic, economic and regulatory reform; and director of communications for the Office of Emergency Preparedness, where he served as a national spokesman and liaison with industry during the energy crisis of 1973. In that role, he received the federal government's highest honor: the Distinguished Service Award.

Other posts held by Shlaes include special assistant to the director of the Peace Corps, consultant to the director of the United States Information Agency, and advisor to U.S. delegations to two United Nations' conferences.

Mr. Shlaes has been involved in a number of business, civic and charitable organizations over the years and is the former president of the National Energy Resource Organization (NERO).

Mr. Shlaes holds a bachelor's degree in business from the University of Southern California, and is a candidate for a master's degree in international transactions at George Mason University.

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The Global Climate Coalition An Overview

What It Is:

The Global Climate Coalition (GCC) is an organization of business trade associations and private companies established in 1989 to coordinate business participation in the scientific and policy debate on the global climate change issue.

GCC is dedicated to: 1) promoting scientific research on global climate change, 2) analyzing economic and societal impacts of policy options, 3) creating an understanding of the global dimensions of the issue to ensure that solutions are addressed equitably by all nations, 4) encouraging transfer of technology to developing nations, and 5) promoting a voluntary commitment among members to "Guiding Principles for Business" that benefit the environment, are consistent with good business practices and are technically and economically feasible.

What it Does:

GCC is the leading voice for industry on the global climate change issue, and represents its members before government agencies, Congress, the media and the general public. The group works cooperatively with governmental agencies and others on an international basis. The coalition contributes to a balanced debate on global climate change by sponsoring independent studies that examine the potential impacts of proposed global climate change policies on the economy. Through educational materials and programs, GCC supports an informed press and public, and an open scientific dialogue.

Where does GCC Stand?

GCC agrees with the scientific presumption that there is a natural "greenhouse effect" that protects Planet Earth from the freezing rigors of space. In addition, GCC agrees that the amount of so-called greenhouse gases in the Earth's atmosphere is increasing. It is an open question however, whether manmade contributions of greenhouse gases have contributed, or ever will contribute to an "enhanced greenhouse effect," which could result in a potentially harmful increase in global surface air temperatures.

There is considerable uncertainty within the scientific community about fundamental questions relating to this issue. Predictions about anthropogenic global warming are based on computer models designed to simulate atmospheric chemistry. GCC agrees with a growing number of



scientists who point out that these climate models (which have been used to frame the debate) can neither confirm that global warming is occurring now or predict future climate changes. While some minor climate changes have been suggested, it has yet to be determined whether these are the a result of natural forces (like solar flares), human activity, natural long-term climate cycles or a combination of all of these factors.

GCC supports a coordinated international research program, the continuation of U.S. climate research efforts (\$1.4 billion requested for FY 1993), in addition to independent and industry sponsored research. GCC also supports activities to reduce greenhouse gas emissions that make sense in their own right, thus continuing sound business practices that will lead to more efficient use of energy.

GCC believes there are trade-offs associated with many of the regulatory schemes to control greenhouse gas emissions. Some of these proposals would impose a direct tax on businesses and consumers through energy or environmental fees while other proposals would impose a hidden tax through other indirect, control measures. These trade-offs would include higher energy and product costs to American consumers, higher operating costs for industry and a potential negative impact on employment. Importantly, many of these proposals would create a competitive advantage for our international trading partners at the expense of U.S. jobs and economic growth.

Who are GCC Members?

The current membership of GCC is a broad cross-section of U.S. business organizations and companies representing a range of industrial sectors, including: oil, coal, paper, automobile manufacturing, railroads, chemical manufacturing and utilities.

How is GCC Structured?

The GCC Board of Directors serves as the organization's governing body. The Operating Committee oversees the functional implementation of GCC activities, and John Shlaes, Executive Director, has oversight of day-to-day operations. To address specific aspects of the global climate change issue and to evaluate policy options, GCC utilizes twelve committees, including Science and Technology, Technology Cooperation, Economic Analysis, Industry Initiatives, and International, to name a few.

For More Information:

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The New York Eimes

NEW YORK, TUESDAY, DECEMBER 22, 1992

EDITORIALS/LETTERS

What Global Warming?

To the Editor:

"Cheapest Protection of Nature May Lie In Taxes, Not Laws" (Science Times, Nov. 24) echoes the theme that bad taxes become good taxes (alias "green fees") when they tax "bad" things. According to the article, these include fossil fuels, traffic and household garbage.

While tax policy can affect behavior, misguided tax policy can dampen economic prosperity in attempting to solve problems that might not exist or that could be solved in less onerous ways. The World Resources Institute study you cite asks Americans to pay higher energy prices to prevent catastrophic global warming.

But there is considerable debate on whether or not man-made greenhouse gases (produced primarily by burning fossil fuels) are triggering a dangerous "global warming" trend. At an international meeting of climate experts in 1990, an intergovernmental panel on climate change concluded that "it is impossible to prove a cause and effect relationship", between man-made emissions and global warming. In the 1992 supplement to that report, the scientists stated, "It is still not possible to attribute with high confidence all, or even part of, the observed global warming to the enhanced greenhouse effect."

We know that climate change over the last 100 years is well within the planet's natural variation (the global climate has never been "stable"). If scientists don't agree that man-made global warming is a problem, does the United States want to pay the costs incurred from an energy tax, including a diminished competitive position with our trading partners? A major Japanese Government agency has backed away from a carbon tax because of its impact on industry. You cite a \$5 trillion price tag in the study.

The American business community has made significant improvements in energy efficiency and now spends approximately \$100 billion a year complying with environmental regulations. These improvements have resulted in a substantial reduction in greenhouse gas emissions.

A green fee is a carbon tax, and a carbon tax is an energy tax. That translates into higher prices, lost jobs, reduced paychecks and slower growth.

JOHN SHLAES

Executive Director Global Climate Coalition Washington, Dec. 4, 1992