GLOBAL CLIMATE COALITION • GROWTH IN A GLOBAL ENVIRONMENT •
GCC

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Dear Journalist:

October has been a big month for the climate change issue. President Clinton has released his Climate Change Action Plan, The National Ocean and Atmospheric Administration (NOAA) released information critical of computer predictions of so-called global warming, and the Global Climate Coalition released a report that proves industry has achieved significant reductions in carbon dioxide emissions without onerous government mandates. In a strong economy with ready access to capital and technology, industry can continue to improve productivity and energy efficiency.

The Global Climate Coalition (GCC) applauds the reliance on voluntary initiatives and industry-government partnerships in the President's climate plan. While the voluntary approach is preferable to more government regulation, the scientific basis for such action does remain in question. In fact, scientists tell us that there is no evidence the Earth's climate has changed beyond natural variations in temperature. There is no looming ecological deadline, as some would have us believe, that must be met to avoid dangerous global temperature increases.

The President's commitment to reduce U.S. carbon dioxide and other greenhouse gas emissions to 1990 levels by the year 2000 is a domestic initiative, *not* a scientific imperative and *not* a mandate of the Framework Convention on Climate Change signed in Rio de Janeiro last year.

GCC supports the President's reliance on public private partnerships which promote energy efficiency and technological innovation, both domestically and internationally. His focus on joint implementation can go a long way towards strengthening the competitiveness of American industry in global markets and help create jobs at home.

The attached press release will give you some background on a study GCC released earlier this week. It shows that U.S. industry already has made tremendous improvements in energy efficiency over the last 15 years. While the economy grew by almost 50 percent, U.S. industry actually reduced carbon dioxide emissions, per unit of output, by up to 37 percent. The amount of energy consumed, per product, also declined by up to 41 percent. Clearly, progress can be achieved without government mandates.

If you would like more information on the president's plan or on GCC's recent report on U.S. energy efficiency, please do not hesitate to contact me at (202) 628- 3622.

Sincerely,

J Shlaes

John Shlaes
Executive Director

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NEWS RELEASE

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New Study Shows Major Reductions in Carbon Dioxide Emissions By U.S. Industry

WASHINGTON, DC, October 26, 1993.......U.S. industry has achieved major reductions in carbon dioxide intensity by using energy more efficiently, according to a report released today by the Global Climate Coalition (GCC). The report, prepared by the EOP Group, shows that while the economy grew by almost 50 percent between 1974 and 1988, U.S. industry actually reduced carbon dioxide emissions, per unit of output, by up to 37 percent.

"The report demonstrates that energy efficiency improvements generally result from investments in cost effective and technology-based measures that are made to improve productivity and competitiveness," said GCC Executive Director John Shlaes. "This has direct implications for the policy debate between the White House and Congress as they continue to discuss the President's Climate Action Plan.

Industry is not always given full credit for the energy efficiency improvements because more stringent environmental requirements and/or shifts in consumer demand can result in higher energy consumption, masking efficiency gains," Shlaes said. "This shows industry's ongoing commitment to energy efficiency and points to the ability of industry to make voluntary improvements which will reduce emissions," he said. "It also makes an important case for examining greenhouse gas emissions policies in light of their impact on specific industries. To be effective, policies have to be flexible and the interactions among economic, energy and environmental policies have to be carefully considered," Shlaes added.

As a result of increased efficiency, the report indicates that U.S. industry has been successful in achieving significant reductions in carbon emissions. U.S. manufacturing, as a whole, has reduced carbon emissions 8.1 percent, with a 55.8 percent increase in production. This was found to exceed the energy intensity reductions in Japan and Germany (the former Western Sector), despite the fact that during the period from 1974 to 1988, the United States allocated a smaller percent of its GDP to gross domestic investment.

(More)

The EOP Group, which prepared the report, is an independent DC-based consulting firm specializing in economic and scientific analysis of energy and environmental issues. The study relied upon data provided by the Departments of Energy, Commerce, Labor and the Federal Reserve Board to examine energy performance and carbon dioxide emissions in nine selected industries: petroleum refining, iron and steel, aluminum, paper, chemicals, cement, automobile manufacturing, electric utilities and railroads.

"These industries were selected," said Shlaes, "because they help form the backbone of the American economy and could be significantly affected by any climate change mitigation plan. All of these industries have ongoing commitments to improve energy efficiency on a cost-effective basis."

The report documents that these industries reduced energy consumption, per unit of output, by up to 41 percent between 1974 and 1988, the last year for which comprehensive data is available. Although some industries experienced increased energy consumption, the report shows that these increases have been slower than the rate of production. "This means that a growing economy will require more energy, even if those industries using more energy are using it more efficiently," said Shlaes.

Industries have achieved this success and are continuing to do so through an array of extensive energy-efficiency improvements, according to the report. Joseph Hezir, a principal of the EOP Group, explained, "Our analysis shows that the specific approaches to energy efficiency vary greatly, utilizing extensive research and development in new technologies, refinements and controls in process and operations, changes in management practices and adjustments in the use of waste materials. There is no 'one-size fits all' approach to energy efficiency improvements," added Hezir.

"The pace of continued U.S. industry progress will depend, in part," said Shlaes, "on government economic and environmental policies that affect the availability and application of private capital investment." The major efficiency improvements by nearly every major U.S. manufacturing sector occurred despite the difficult challenges of lower levels of capital investment and stricter environmental standards than other industrialized nations."

The Global Climate Coalition is an organization of more than 50 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.

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