OBAMA-BIDEN TRANSITION PROJECT

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To: Obama-Biden Transition Team

From: Abraham Breehey, International Brotherhood of Boilermakers

Subject: Support the IBEW-Boilermakers-UMWA-AEP international provision in climate change legislation

For more than a decade, Congress has sought to address global climate change here at home, while ensuring that rapidly-developing nations promptly and comparably do their part as well. This is no small task. The transition to a carbon-constrained economy as proposed by your campaign will require as much as an eighty percent reduction in greenhouse gas emissions by 2050. To succeed, we must literally remake our economy. This change will affect every American, and if it is to succeed, it must be accompanied by appropriate actions by virtually all nations.

The Byrd-Hagel Resolution passed unanimously by the Senate in 1997 flatly rejected the approach that the United States and other developed countries would shoulder the burden of reducing global greenhouse gas emissions through binding commitments. This Senate Resolution established that no climate-related treaty or commitment of this magnitude was viable without comparable action by India, China and other major emitting countries.[1]

In the intervening years, our understanding of worldwide warming has steadily improved. Scientists have convincingly linked rising global temperatures to the increased atmospheric loadings of greenhouse gas emissions from human activity.[2] And the underlying political and scientific foundation of the Byrd-Hagel Resolution has only strengthened. In 2007, China overtook the U.S. to become the world's largest emitter of greenhouse gases.

At the same time, rapidly developing nations have made extraordinary improvements in their economic and living standards. China's 2007 gross domestic product reached $3.3 trillion. Of this amount, $1.2 trillion was derived through exports – with much of these exports going to China's largest outside market – the United States.[3]

Thus, America and our trading partners have an opportunity to link environmental action to limit greenhouse gas emissions here at home to at least the purchase of goods entering our nation. This is exactly what International Brotherhood of Electrical Workers (IBEW) International President Ed Hill and American Electric Power (AEP) CEO Michael Morris have proposed to do. Their proposal has also been endorsed by our union, as well as the United Mineworkers of America. Their approach embraces the policy objectives of the Byrd-Hagel Resolution, and is fully compatible with the cap and trade emissions control program endorsed by the Obama-Biden Campaign. Further, the IBEW/AEP International Provision enables America to better and more broadly tackle the environmental challenge of our time. 'IBEW/AEP' offers a World Trade Organization (WTO)-compliant, fully transparent means to encourage rapidly developing nations to join us in doing their part to mitigate global climate change, and has won the support of congressional leaders to incorporate this provision into the major climate bills of the 110th Congress.[4]

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[1] http://www.nationalcenter.org/KyotoSenate.html
[2] http://earthobservatory.nasa.gov/Study/GlobalWarmingQandA/
[3] http://www.state.gov/r/pa/ei/bgn/18902.htm
[4] The IBEW/AEP provision has been included in the Lieberman/Warner (S.2191), Bingaman/Specter (S.1766), and Doggett (H.R.6316) bills, and has been favorably described by Chairmen Dingell and Boucher.

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The IBEW/AEP International provision offers an essential solution to those who intend to enact climate control legislation, and we urge that it be made an integral part of any climate-related legislative language proposed by an Obama/Biden Administration. This well-vetted provision would create effective leverage for U.S. negotiators to achieve our overall goals on climate change, ideally, by encouraging other governments to implement their own carbon controls, or as a last resort, by requiring goods produced in non-participating nations to be accompanied by offsetting allowances as they enter our nation.[5]

The IBEW/AEP Provision recognizes that climate change is a **global** environmental problem that requires a **global** solution. It would be unfortunate to move legislation that imposes unilateral caps only upon America's economy, while ignoring the fact that U.S. reductions will make little environmental difference if other major emitting nations do not take comparable action themselves.

Any reductions we make will be overtaken – literally swallowed up – by huge and increasing emissions arising from the largest emitters in the developing world. This would be flawed environmental policy and would accomplish very little with regard to global climate change.

Of equal importance, legislation must address the fact that imposition of emission limits by some, but not all, major emitting nations could actually create incentives to inappropriately and ironically drive environmentally-responsible jobs to nations without emission limits, where production costs will obviously be less. This "leakage" of industrial activity to un-regulated or under-regulated markets would greatly undermine the environmental impact of the U.S. cap-and-trade program.

We believe that any U.S. legislation that requires mandatory U.S. emission reductions must include a market mechanism that encourages other major greenhouse gas-emitting countries to reduce their emissions. If other countries refuse to reduce and seek to continue to sell their goods here, we would ultimately require that emission allowances accompany such imports.

In the best tradition of America's free market cap-and-trade policies, this approach would ensure an effective sharing of burdens across borders with regard to climate change, and serve as a powerful impetus for other nations to meaningfully join a new global initiative. We are hopeful that all major emitting nations would find it prudent to participate rather than be compelled to purchase allowances to offset their GHG emissions arising from production of their exported goods, especially if they have the opportunity to also derive even greater benefits for their citizens and the world from cleaner development through their own regulatory regime.

Without the IBEW/AEP proposal's ironclad statutory backstop, the U.S. would have little leverage to negotiate with rapidly developing nations. If America fails to include this or a similar provision, we would fail to address climate change on a global scale because our own greenhouse gas emissions would be capped even as other nations' emissions increase and eclipse our own (as recently exemplified by China), to further damage the environment.

[5]Such goods would Include iron, steel, aluminum, cement, bulk glass and paper products