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HOUSE OF REPRESENTATIVES
COMMITTEE ON
ENVIRONMENTAL PROTECTION
BILL RESEARCH & ECONOMIC IMPACT STATEMENT

BILL #: HM 4069

RELATING TO: Kyoto Protocol

SPONSOR(S): Representative(s) Putnam; Dockery

COMPANION BILL(S): SB 2032 (s) by Senator Latvala

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:
(1) ENVIRONMENTAL PROTECTION YEAS 9 NAYS 3
(2) RULES, RESOLUTIONS, AND ETHICS
(3)
(4)
(5)

I. SUMMARY:

HM 4069 calls for the President of the United States not to sign or submit for ratification to the U.S. Senate the Kyoto Protocol, until and unless it is amended or revised to be consistent with U.S. Senate Resolution No. 98, which calls for the equitable treatment of developed and developing countries regarding greenhouse gas emissions.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

The United Nations Framework Convention on Climate Change (Convention) in 1992 was intended to address climate change on a global basis. It identified the former Soviet Union and the countries of Eastern Europe and the Organization For Economic Co-Operation and Development (OPECD), including the United States, as “Annex I Parties” (also referred to as “developed countries”), and the remaining 129 countries, including China, Mexico, India, Brazil, and South Korea, as “Developing Country Parties”.

The Convention’s “Conference of the Parties” in 1995 adopted the so-called “Berlin Mandate”, which called for the adoption in December 1997 (in Kyoto, Japan), of a protocol or another legal instrument that strengthened commitments to limit greenhouse gas emissions by the Annex I Parties for the post-2000 period and established a negotiation process called the “Ad Hoc Group on the Berlin Mandate”. The “Berlin Mandate” specifically exempted all Developing Country Parties from any new commitments in the negotiation process for the post-2000 period.

Although the Convention, approved by the United States Senate, called on all signatory parties to adopt policies and programs aimed at limiting their greenhouse gas (GHG) emissions, in July 1996 the UnderSecretary of State for Global Affairs called for the first time for legally binding emission limitation targets and timetables for Annex I Parties.

Greenhouse gas emissions of Developing Country Parties are rapidly increasing and are expected to surpass emissions of the United States and other OECD countries as early as 2015. The U.S. Department of State has declared that it is critical for the Parties to the Convention to include Developing Country Parties in the next steps for global action and has proposed that consideration of additional steps to include limitations on Developing Country Parties’ greenhouse gas emissions would not begin until after a protocol or other legal instrument was adopted in Kyoto, Japan in December 1997. Therefore, the exemption for Developing Country Parties was considered to be inconsistent with the need for global action on climate change and environmentally flawed.

The U.S. Senate believes that the proposals under negotiation, because of the disparity of treatment between Annex I Parties and Developing Countries and the level of required emission reductions, could result in serious harm to the United States economy, including significant job loss, trade disadvantages, as well as increased energy and consumer costs. They have suggested that a bipartisan group of Senators be appointed for the purpose of monitoring the status of negotiations on Global Climate Change and report periodically to the Senate on those negotiations.

U.S. Senate Resolution No. 98 states, ...“That it is the sense of the Senate that--
(1) the United States should not be a signatory to any protocol to, or other agreement regarding, the United Nations Framework Convention on Climate Change of 1992, at negotiations in Kyoto in December 1997, or thereafter, which would--

(A) mandate new commitments to limit or reduce greenhouse gas emissions for the Annex I Parties, unless the protocol or other agreement also mandates new specific scheduled commitments to limit or reduce greenhouse gas emissions for Developing Country Parties within the same compliance period, or

(B) would result in serious harm to the economy of the United States; and

(2) any such protocol or other agreement which would require the advise and consent of the Senate to ratification should be accompanied by a detailed explanation of any legislation or regulatory actions that may be required to implement the protocol or other agreement and should also be accompanied by an analysis of the detailed financial costs and other impacts on the economy of the United States which would be incurred by the implementation of the protocol or other agreement."

B. EFFECT OF PROPOSED CHANGES:

HM 4069 has no specific effect other than to urge the President of the United States not to sign the Kyoto Protocol unless it, or any other agreement, mandates new scheduled commitments to limit or reduce greenhouse gas emissions for the Developing Country Parties within the same compliance period established for the Annex I Parties. It also calls upon the U.S. Senate to reject any proposed protocol or other amendment to the U.N.'s Framework Convention on Climate Change that is inconsistent with U.S. Senate Resolution No. 98.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

N/A

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

N/A

(3) any entitlement to a government service or benefit?

N/A

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. <u>Lower Taxes:</u>

a. Does the bill increase anyone's taxes?

N/A

b. Does the bill require or authorize an increase in any fees?

N/A

c. Does the bill reduce total taxes, both rates and revenues?

N/A

d. Does the bill reduce total fees, both rates and revenues?

N/A

e. Does the bill authorize any fee or tax increase by any local government?

N/A

3. <u>Personal Responsibility:</u>

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

N/A

b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

N/A

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

N/A

E. SECTION-BY-SECTION RESEARCH:

This section need be completed only in the discretion of the Committee.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None

2. Recurring Effects:

None

3. Long Run Effects Other Than Normal Growth:

None

4. Total Revenues and Expenditures:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

   None

2. Recurring Effects:

   None

3. Long Run Effects Other Than Normal Growth:

   None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

   None

2. Direct Private Sector Benefits:

   None

3. Effects on Competition, Private Enterprise and Employment Markets:

   None

D. FISCAL COMMENTS:

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

   N/A

B. REDUCTION OF REVENUE RAISING AUTHORITY:

   N/A

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

   N/A

V. COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON ENVIRONMENTAL PROTECTION:

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