



**FOR IMMEDIATE RELEASE**

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**NAM and ACCF Unveil New Study Highlighting the National  
and 50-State Economic Impacts of the Lieberman-Warner Climate Change Bill**

*SAIC Study Assesses Economic Implications on Future Energy Costs, Economic Growth,  
Employment, Production, Household Income and Low Income Earners*

WASHINGTON, D.C., MARCH 13, 2008 – The National Association of Manufacturers (NAM) and the American Council for Capital Formation (ACCF) today unveiled a jointly commissioned study assessing the potential national and state economic impacts resulting from proposed climate change legislation, America's Climate Security Act of 2007 (S. 2191), authored by U.S. Senators Joseph Lieberman and John Warner. The U.S. Senate is expected to debate the legislation in June 2008.

S. 2191 aims to reduce total U. S. greenhouse gas emissions with the goal of lowering emissions 63 percent below their 2005 levels by the year 2050. These reductions would be achieved through a system that would call for companies to cap their emissions, and then to have them trade emissions rights with each other.

Conducted by Science Applications International Corporation (SAIC) using assumptions provided by ACCF and NAM, the study unveiled today examines the implications of the legislation with respect to Gross Domestic Product and Gross State Product, future energy costs, economic growth, employment, production, household income, the impact on low income earners and other measurements. The study includes a comprehensive national economic assessment, as well as separate and specific overviews of the impacts the legislation could have on all 50 U.S. states.

The conclusions of the reports indicate that the legislation, if passed into law, would have a profound economic impact on U.S. businesses, consumers and governments nationally and in all 50 states. A sampling of the national findings includes:

- ✍ Gross Domestic Product (GDP) losses of \$151 billion to \$210 billion in 2020 and \$631 billion to \$669 billion per year in 2030
- ✍ Employment losses of 1.2 million to 1.8 million jobs in 2020 and 3 million to 4 million jobs in 2030
- ✍ Household income losses of \$739 to \$2,927 per year in 2020 and \$4,022 to \$6,752 per year in 2030
- ✍ Electricity price increases of 28% to 33% by 2020 and 101% to 129% by 2030
- ✍ Gasoline price increases (per gallon) of 20% to 69% by 2020 and 77% to 145% by 2030

"This is a sobering report in view of the economic and social costs of action with respect to this legislation," said John Engler, president and CEO of the National Association of Manufacturers. "The goal of this study was to provide policymakers and the public a better understanding of the costs such public policies would impose on our national and state economies, as well as the direct implications for U.S. businesses and households."

"While the environmental impact of climate change is still under scientific analysis, the economic implications of the proposed legislation are quite evident in view of this report," said Dr. Margo Thorning, senior vice president and chief economist of the American Council on Capital Formation. "Policymakers would be wise to weigh the enormous costs of the proposed measures in view of any expected environmental benefits."

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The SAIC analysis was undertaken with the National Energy Modeling System model, the model used by the Department of Energy's Energy Information Administration. The ACCF and NAM provided assumptions about the cost and availability of new energy technologies, oil prices, and other key factors. The study's findings indicate substantial and growing impacts to consumers and the economy of meeting the increasingly stringent emission targets through 2030 established by the Lieberman-Warner Climate Security Act.

"Add to these findings that rapidly developing nations such as China and India have signaled that they have no indication to adopt similar climate change policies to reduce their emissions and the economic implications are even more alarming. Providing greater environmental stewardship is a shared commitment we must all embrace. At a time when the nation is in the midst of an economic slowdown and teetering on the brink of a recession, debating passage of a measure that would further slow the U.S. economy in return for indeterminate global benefits must be carefully evaluated," continued Engler.

For a copy of the comprehensive national and 50-state reports, please visit [www.accf.org](http://www.accf.org) or [www.nam.org/climatechangereport](http://www.nam.org/climatechangereport).

For additional information, or to schedule and interview, please contact Laura Narvaiz for NAM at (202) 637-3104 or [LNarvaiz@nam.org](mailto:LNarvaiz@nam.org), or Mike Burita for ACCF at (202) 420-9361 or [MBurita@accf.org](mailto:MBurita@accf.org).

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#### **About NAM**

The National Association of Manufacturers is the nation's largest industrial trade association, representing small and large manufacturers in every industrial sector and in all 50 states. Headquartered in Washington, D.C., the NAM has 11 additional offices across the country.

#### **About ACCF**

The American Council for Capital Formation ([www.accf.org](http://www.accf.org)) is a nonprofit, nonpartisan organization dedicated to the advocacy of tax and environmental policies that encourage saving and investment. The ACCF was founded in 1973 and is supported by the voluntary contributions of corporations, associations, foundations, and individuals.