



**For Immediate Release**

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## **ITSSD: Northeastern Governors Help Europe to Impose Costly RGGI Regulations on American Consumers**

*White Paper Finds that Europe Relies on Costly RGGI to Influence U.S. Climate Change Policy Through the Back-Door*

**Princeton, NJ** – November 21, 2005 - The Institute for Trade, Standards and Sustainable Development (ITSSD) is calling public attention to the impending Regional Greenhouse Gas Initiative (RGGI), a secret regulatory regime designed by nine northeastern governors that will significantly raise energy, goods and services prices for regional consumers.

“The RGGI is essentially another hidden [consumer] tax conceived of by New York State Governor George Pataki during 2003. It has since been expanded behind ‘closed doors’ and without public debate to eight other states, including New Jersey and Massachusetts.

“The RGGI...is a controversial interstate, and perhaps, international commerce agreement...[that will]...cap the...carbon dioxide...emitted regionally by businesses. Although it will first target electricity-producing power plants, the RGGI will later cover other industry sectors as well...”

The ITSSD study finds that the energy efficiency, energy reliability and economic cost modeling assumptions underlying the RGGI are flawed. As a result, northeastern consumers will pay dearly without receiving much, if any, environmental benefit in return. According to co-author Slavi Pachovski, “The high costs of RGGI will be borne in vain by regional consumers and businesses because RGGI will be unable to deliver the environmental, energy reliability and energy security benefits promised.”

Furthermore, the ITSSD study reveals that Europe is depending on the RGGI to inspire a state-level insurgency against U.S. federal climate change policy, to prompt Washington’s return to the Kyoto Protocol negotiating table. “Hence, it is now apparent that, while Brussels officials and rotating EU Presidents had long occupied the attention of the Bush White House as their experts ruminated about how to collectively address the effects of global warming at an international level, EU member state governments, with the aid of Washington think-tanks, congressman, and northeastern governors, were busy sneaking RGGI in through the ‘back door’ of U.S. public policy-making.”

The ITSSD study concludes that, “[i]f the RGGI is enacted in the near future without public debate”, European industry will “benefit...at the expense of American consumers, American



industry, and the American economy.” “Were this to occur”, admonishes CEO Lawrence Kogan, “these governors, congressman and policy experts will have much to answer for...”

Copies of this study can be found at: <http://www.itssd.org/library.htm>

*The Institute for Trade, Standards and Sustainable Development (ITSSD) is a non-partisan non-profit international legal research organization that examines international law as it relates to trade, industry and **positive** sustainable development around the world.*