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## House of Representatives

The House was not in session today. Its next meeting will be held on Monday, June 9, 2008, at 12:30 p.m.

## Senate

FRIDAY, JUNE 6, 2008

The Senate met at 9 a.m. and was called to order by the Honorable SHELDON WHITEHOUSE, a Senator from the State of Rhode Island.

### PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal God, our hope for years to come. You are our rock and fortress, our deliverer and shield. We find refuge in You.

Give strength to our Senators. Energize them with the spirit of unity that will enable them to solve our Nation's most pressing problems. Keep them from becoming discouraged because of the enormity of their challenges as they look to You in faith. Guide our lawmakers in the direction that leads to justice, equity, and peace. We pray in Your great Name. Amen.

### PLEDGE OF ALLEGIANCE

The Honorable SHELDON WHITEHOUSE led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

### APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

U.S. SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, DC, June 6, 2008.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable SHELDON WHITEHOUSE, a Senator from the State of Rhode Island, to perform the duties of the Chair.

ROBERT C. BYRD,  
President pro tempore.

Mr. WHITEHOUSE thereupon assumed the chair as Acting President pro tempore.

### RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

### LIEBERMAN-WARNER CLIMATE SECURITY ACT OF 2008

Pending:

Reid (for BOXER) amendment No. 4825, in the nature of a substitute.

Reid amendment No. 4826 (to amendment No. 4825), to express the sense of the Senate that the United States should address global climate change through the negotiation of fair and effective international commitments.

Reid amendment No. 4827 (to amendment No. 4826), to express the sense of the Senate that the United States should address global climate change through the negotiation of fair and effective international commitments.

Reid amendment No. 4828 (to the language proposed to be stricken by Reid (for Boxer) amendment No. 4825), to provide for the enactment date.

Reid amendment No. 4829 (to amendment No. 4828), to change the enactment date.

Reid motion to commit the bill to the Committee on the Environment and Public Works with instructions to report back

forthwith, with Reid amendment No. 4830, to provide for the enactment date.

Reid amendment No. 4831 (the instructions of the Reid motion to commit), to change the enactment date.

Reid amendment No. 4832 (to amendment No. 4831), to change the enactment date.

### CLOTURE MOTION

The ACTING PRESIDENT pro tempore. Under the previous order and pursuant to rule XXII, the clerk will report the motion to invoke cloture.

The assistant legislative clerk read as follows:

### CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the substitute amendment No. 4825 to S. 3036, the Lieberman-Warner Climate Security Act.

Barbara Boxer, John Warner, Joseph Lieberman, Tom Harkin, Robert Menendez, Bill Nelson, Thomas R. Carper, Sheldon Whitehouse, Charles E. Schumer, Frank R. Lautenberg, Dianne Feinstein, Joseph R. Biden, Jr., John F. Kerry, Robert P. Casey, Jr., Patrick J. Leahy, Richard Durbin, Harry Reid.

The ACTING PRESIDENT pro tempore. By unanimous consent, the mandatory quorum call is waived.

The question is, Is it the sense of the Senate that debate on amendment No. 4825 to S. 3036, a bill to direct the Administrator of the Environmental Protection Agency to establish a program to decrease emissions of greenhouse gases, and for other purposes, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from West Virginia (Mr. BYRD), the Senator from New York (Mrs. CLINTON), the Senator from North Dakota (Mr. CONRAD), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Illinois (Mr. OBAMA) are necessarily absent.

I further announce that, if present and voting, the Senator from Delaware (Mr. BIDEN) would vote "yea."

Mr. KYL. The following Senators are necessarily absent: the Senator from Minnesota (Mr. COLEMAN), the Senator from Texas (Mr. CORNYN), the Senator from Idaho (Mr. CRAIG), the Senator from South Carolina (Mr. DEMINT), the Senator from South Carolina (Mr. GRAHAM), the Senator from New Hampshire (Mr. GREGG), the Senator from Arizona (Mr. MCCAIN), the Senator from Alaska (Ms. MURKOWSKI), the Senator from Pennsylvania (Mr. SPECTER), and the Senator from Alaska (Mr. STEVENS).

Further, if present and voting the Senator from South Carolina (Mr. DEMINT) and the Senator from Texas (Mr. CORNYN) would have voted "nay."

The Senator from Minnesota (Mr. COLEMAN) would have voted "yea."

The ACTING PRESIDENT pro tempore. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 48, nays 36, as follows:

[Rollcall Vote No. 145 Leg.]

YEAS—48

Akaka	Inouye	Pryor
Baucus	Kerry	Reed
Bayh	Klobuchar	Reid
Bingaman	Kohl	Rockefeller
Boxer	Lautenberg	Salazar
Cantwell	Leahy	Sanders
Cardin	Levin	Schumer
Carper	Lieberman	Smith
Casey	Lincoln	Snowe
Collins	Martinez	Stabenow
Dodd	McCaskill	Sununu
Dole	Menendez	Tester
Durbin	Mikulski	Warner
Feingold	Murray	Webb
Feinstein	Nelson (FL)	Whitehouse
Harkin	Nelson (NE)	Wyden

NAYS—36

Alexander	Corker	Johnson
Allard	Crapo	Kyl
Barrasso	Domenici	Landrieu
Bennett	Dorgan	Lugar
Bond	Ensign	McConnell
Brown	Enzi	Roberts
Brownback	Grassley	Sessions
Bunning	Hagel	Shelby
Burr	Hatch	Thune
Chambliss	Hutchison	Vitter
Coburn	Inhofe	Voivovich
Cochran	Isakson	Wicker

NOT VOTING—16

Biden	Craig	Murkowski
Byrd	DeMint	Obama
Clinton	Graham	Specter
Coleman	Gregg	Stevens
Conrad	Kennedy	
Cornyn	McCain	

The ACTING PRESIDENT pro tempore. On this vote, the yeas are 48, the nays are 36. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. REID. Mr. President, I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. REID. For everybody here, this will be the last vote today. We will have at least one vote in the morning on Tuesday, and perhaps multiple votes. So everybody will have to be here Tuesday morning. The votes will probably start at 10 o'clock in the morning.

The ACTING PRESIDENT pro tempore. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I wish to put in the RECORD a statement by Senator COLEMAN. He would have voted aye if he had been here today. I ask to have his statement printed in the RECORD.

• Mr. COLEMAN. Mr. President, we are in the middle of an energy crisis, and the only way we're going to get out of it is to dramatically transform how this country does energy.

That is what the Lieberman-Warner climate bill does—it takes on one of the greatest economic and national security threats America faces today: our energy insecurity.

Sometimes we must look around the mountain, we must look to our future and recognize where our path must lead. We must recognize that we need massive and speedy development of domestically produced clean energy sources.

If we had committed to this bill 10 years ago, we wouldn't be in the tight spot we find ourselves in right now. We needed carbon capture technology for coal, increased nuclear power, cellulosic ethanol, and widespread renewable energy use yesterday.

This year, nearly half a trillion of our dollars will be sent overseas for energy we are capable of producing at home. The fact is, we are being held hostage by a world oil market where much of the supply is controlled by thugs and tyrants like Ahmadinejad and Chavez. But, as we have found in Minnesota, we can grow our own fuel, and the potential of cellulosic ethanol to replace foreign oil makes today's renewable fuels production look small, but it still hasn't reached commercialization.

Meanwhile, nuclear energy is an affordable, zero-emissions source of energy, yet we have not built a nuclear plant in this country in 30 years.

And, due to environmental concerns, it is increasingly difficult to utilize one of our greatest sources of energy in the country: coal. We have a 250 year supply of coal that we must find a way to use for energy production because one thing is certain—America's energy needs are only increasing.

At the same time, we have abundant energy around us that has yet to be tapped. When I am fishing on a beautiful morning up in Lake Ada back home, the sunshine and steady breeze are a constant reminder of the renewable resources that we can harness to power our homes and businesses.

The solutions to our energy woes are at our fingertips; it's time we grabbed hold of the great opportunity at hand and lead an energy revolution that will be the source for future security and increased opportunity for generations to come.

But, we can't wait for this revolution to come to us. I am skeptical that we are just going to wake up one day and see a nuclear energy renaissance or clean coal with carbon sequestration or widespread use of renewables, unless we take bold action.

Mr. President, that's what this bill is about.

The Climate Security Act empowers Americans to do what we must do, which is to transform our production of energy. It sets up a cap-and-trade system, just as was done in the 1990 Clean Air Act to combat acid rain, that gives greenhouse gas producers flexibility in meeting their obligations through submission of allowances. Listening to some of the debate over this last week, one might think this bill is a windfall for the Federal Government, but what this bill really does is allocate these allowances to help the folks regulated in their transition to clean energy and to help energy consumers, both families and businesses with their energy costs. Just look at what happens in 2012, when the cap begins:

Over 38 percent of allowances are given out for free to fossil-fired power plants, energy consumers, natural gas and petroleum facilities, carbon intensive manufacturing facilities, agriculture and forestry, and states that are manufacturing and coal reliant;

Another 36 percent of allowances go to states and emitters to incentivize clean energy deployment and carbon sequestration; and

The 25 percent of the allowances that the Government does "auction" go to programs that invest in our energy future by doing things like dramatically boosting clean coal technology, clean energy research and development, and worker training assistance.

In particular, the bill provides record investment in clean coal, renewables, and cellulosic ethanol, including: \$17 billion of support for carbon capture and storage technology for coal to kick start this technology, \$120 billion in incentives for carbon capture and storage, and my CO<sub>2</sub> pipeline study proposal; bonus allowances for renewable energy that I have strongly supported; \$150 billion for renewable energy; \$92 billion for low-carbon electricity technology; and \$26 billion for production of cellulosic ethanol.

But there is no doubt in revolutionizing our energy production, a transition will be required that won't come easy. That's why, from the time I co-sponsored the first Lieberman-Warner proposal, I made clear that as we work on this legislation, we have to keep in mind the single mother in St. Paul working two jobs who can't afford higher energy prices and we must protect the economy and American jobs.

I compliment Senators LIEBERMAN and WARNER for taking these concerns to heart. This substitute makes several critical changes from earlier drafts to assist poor and middle class families with energy prices and to protect jobs.

First, this substitute dramatically increases the resources dedicated to help consumers, both families and businesses, with energy costs—bringing the total assistance to \$1.7 trillion. \$800 million of this amount is targeted at a tax cut for low income Americans' energy costs. Meanwhile, this substitute increases by 40 percent the funding that will go to energy consumers through their utility bill, bringing this provision's assistance total to \$900 billion.

Secondly, this bill includes a new allowance trigger at between \$22 and \$30 per allowance that provides an important off-ramp should costs become high. This trigger is critical because economic consequences escalate when the price of an allowance increases.

Many of the high energy cost and GDP estimates cited on the floor this week have been taken from an EPA study that assumes an allowance price of at least \$46 per allowance. Under this substitute, prices won't be allowed to get anywhere near that level.

Finally, this bill places an allowance purchase requirement on importers of products like steel, chemicals, and other energy intensive products if a commission does not find that the country of origin is taking comparable action to curb greenhouse gases.

There is a lot of concern that this bill will increase energy prices and hurt the economy. You will hear many of my colleagues cite studies with drastic cost increase numbers. While this substitute amendment, with the protections I just outlined, has yet to be analyzed, I believe much of the economic pain projected in some studies is overstated—even without the off-ramp.

For instance, the independent Energy Information Agency found in their High Cost scenario that there is a predicted electricity price increase of 1.5 percent a year and a gas price increase of 2 cents per year. Meanwhile, EIA has projected less than half of one percent effect on GDP—again, this is before the off-ramp.

I do want to commend Senators LIEBERMAN and WARNER for their work on this bill—they deserve much credit for taking this on, for pouring themselves into this very difficult, complex task—taking on one of the great challenges of our day.

That's why I am so disappointed that we won't have a chance to consider this bill on the floor. Mr. President, the Clean Air Act took 5 weeks, we have been given less than 5 days on a much more comprehensive piece of legislation. The process set up here robs us of an opportunity to take our energy crisis head on.

I have supported the Lieberman-Warner effort as a cosponsor, and I continue to support this bill, but I have al-

ways made clear that I would work to improve the bill to protect Minnesota jobs. So, I have a few amendments, some that I am introducing, some I am cosponsoring that substantively improve this bill—many of these changes are very small, but the consequences of not including them will be very large in my state.

Because of this process, I won't have the chance to offer my amendment to create a fuel assistance fund that will lower Federal fuel taxes by an amount equal to fuel price increases those driving cars and trucks and riding on airplanes have to pay as a result from this bill. This is an amendment to protect American consumers, it's common-sense, and it keeps the Highway Trust Fund and the Airport and Airways Trust Fund whole.

I won't have a chance to amend the bill to ensure that my state's many waste-to-energy facilities are considered renewable. This is a small change, but without it, we could disadvantage an important clean energy technology.

This bill needs a nuclear energy title. We need to boost tax incentives for nuclear power plants and improve the existing loan guarantee program. We need to train a workforce for the nuclear renaissance that we'll need to meet our energy needs.

Meanwhile, we need to restore the transition assistance for rural electric cooperatives that was included in earlier drafts of the bill, and we need to exempt steel process emissions as there is no feasible technological alternative to using carbon to produce iron ore. If these process emissions aren't excluded, we're going to send steel jobs overseas.

These amendments are designed to work within the structure of this bill, to augment it, to remove negative impacts that could hit Minnesotans—they deserve to be considered.

Mr. President, the challenge we face in solving our energy security problems is great, but for the folks who don't think America can meet this challenge, I would like to remind them of the fight we had over the first Renewable Fuels Standard, RFS, just a few years ago. I worked with a bipartisan cast of colleagues to pass the first RFS in 2005, and at the time, it was criticized as onerous and too ambitious.

We thought we were aiming high by passing a 7.5 billion gallon renewable fuels requirement by 2012. Today, in 2008, we have the renewable fuel production capacity of 8.5 billion gallons—we have far out surpassed expectations of production at the time.

Driving around Minnesota's countryside, I have witnessed the source of this overwhelming success—local entrepreneurs, innovators, and visionaries. And, the Minnesotans who have built our renewable fuels industry, which contributes over \$5 billion to the State's economy, have transformed their local economies. The government sent the market a strong signal, and the American people responded.

Mr. President, the time for an energy revolution is long overdue. We cannot afford delay, and it is my hope that we will be provided the time we need to consider and pass this critical bill in the near future.●

Mr. DODD. Mr. President, I rise today to speak on the Lieberman-Warner Climate Security Act. I am deeply grateful that we are at last beginning to address an issue that goes to the heart of our security, our economy, our ingenuity and our leadership in the world: Climate change.

Over the course of this debate, I have no doubt that some will continue to argue that the science of global warming remains "inconclusive"—that there is simply too much uncertainty to take any sort of action.

But before we even go into the science of global warming, let us consider all that is quite certain today because of our dependence on fossil fuels.

We can start with our national security, which is compromised because we import oil to the tune of \$300 billion every year, much of it from the most unstable countries in the world, a great many of whom are no friends to America.

We can then examine how this dependence puts our economy at risk, as families and businesses struggle with ever-rising gas prices that now top \$4 per gallon, impacting our economic security and competitiveness alike.

We can also look at the public health implications, as asthma rates soar, disease spreads to new regions and the developing world experiences increases in climate-sensitive diseases, such as malaria, malnutrition—diseases that acutely threaten children.

There is also the rise in extreme weather incidents of Katrina-like ferocity that have increasingly become not the exception but the rule.

And finally, we can reflect on our waning moral leadership in the world, due at least in part because of this administration's stubborn insistence on abandoning the Kyoto Protocol entirely.

They didn't propose ways for the United States to improve a flawed but noble effort important to virtually every other nation in the civilized world. Nor did they demonstrate any commitment whatsoever on our part to leading the world in alternative energy production.

Instead, they simply let the problem fall to the next administration. They picked up their chair and went home.

Whatever else you think about the science of climate change, surely you must agree that American families have paid a price for our failure to act on these many related issues.

But I would immediately add, on the fundamental question of whether climate change is real and whether human actions are responsible, there can be no debate.

The Intergovernmental Panel on Global Warming, an international panel composed of hundreds of the

most respected scientists in the world, conducted a comprehensive study of available climate change data.

And what they found was unequivocal. The IPCC concluded that, and I quote, "most of the observed increase in globally averaged temperatures since the mid-20th century is very likely due to the observed increase in anthropogenic greenhouse gas concentrations."

In plain English, virtually the entire scientific community agrees on two points—one, that temperatures are rising because of greenhouse gas emissions, and two, that such increases are caused by human activity.

And so, let us be very clear: global warming is real, and we are causing it. It is not in question. And it is a very big problem for all of us.

Yet even still, some continue to push back. Some acknowledge the science behind climate change but argue we cannot take action because of the threat it poses to our economy.

They present us with what I believe is a false choice:

That we can choose environmental responsibility or economic prosperity, but not both.

I completely and emphatically disagree.

Our dependence on foreign oil and fossil fuels may pose some of our biggest problems. But breaking that dependence offers us the single greatest opportunity for a brighter, more secure future.

How is that possible?

Because if so many problems can stem from a single source—and in the case of energy, they surely do—then it is only logical that if we deal with that problem, we can begin meeting those challenges as well.

We can begin creating a stronger, more prosperous America that relies not on politically fragile corners of the globe for its security, but on the ingenuity of America's small businesses and university laboratories.

A stronger, more prosperous America that uses its abundant economic resources not to perpetuate anti-American sentiment abroad but to create jobs here at home—from the construction of energy efficient buildings and renewable energy power plants to an auto industry that builds cars that lead the world in fuel efficiency.

An America that charges not simply our cities with helping us achieve these goals but also rural communities across the country. That is not only a stronger, more prosperous America; it is one more Americans get to be a part of.

As such, I believe we can no longer wait to move to quickly reduce America's greenhouse gas emissions in a comprehensive way. That is why I have supported cap-and-trade proposals in the past, and I will continue to do so, because they offer a way for America to begin tackling global warming.

But I believe there is a more promising solution that too often gets lost

in these debates: A carbon tax, a fee placed on each ton of carbon dioxide emitted from fossil fuels.

Such a solution has been endorsed by everyone from NASA scientist James Hansen and former Secretary of the Treasury Lawrence Summers to conservative Harvard economist N. Gregory Mankiw, President George W. Bush's former chief economic advisor.

Even Ronald Reagan's Secretary of State, George Schulze, has voiced support for the idea. All agree it is the most efficient way to address the climate problem.

The idea is simple. We already know how much carbon is emitted from the burning of various fossil fuels, and we already collect the data we need to figure out how much to tax each sale of fossil fuels. As such, all that we would need to do to impose a carbon tax is set a price for a ton of carbon. That price would increase over time, leading to decreased carbon emissions as the cost of using dirty fossil fuels overtakes the cost of investing in clean, renewable technologies.

I know "new taxes" have been anathema to American politics for years. But a carbon tax eliminates the last incentive there is to pollute because it is cheaper.

A carbon tax would reduce carbon emissions much more efficiently than a cap-and-trade program. The Congressional Budget Office said as much, finding that "available research suggests that in the near term, the net benefits . . . of a tax could be roughly five times greater than the net benefits of an inflexible cap."

Put another way, a given long-term emission-reduction target could be met by a tax at a fraction of the cost of an inflexible cap-and-trade program."

Why? Because a tax provides the kind of long-term predictability for the price of emissions a carbon allowance would not. It allows companies to more effectively plan over the long-term how they could most cost-effectively reduce emissions.

Additionally, a carbon tax could be much more easily administered and overseen than a cap-and-trade program because the administrative infrastructure already exists to levy taxes on the upstream sources of fossil fuels, with their carbon contents known quantities as well.

Unlike cap and trade, which would require a complex new administrative structure to oversee and regulate the carbon market, we don't have to start from scratch.

In my view, a carbon tax is a critical piece of the debate over global warming, and I look forward to engaging with Chairwoman BOXER and my other colleagues in making part of this discussion. If for no other reason than the short window of time with which we have to address this problem before it is too late, it must be.

Allow me also to briefly address some other issues raised by the Lieberman-Warner bill.

I appreciate all that Chairwoman BOXER and her colleagues on the EPW Committee have done to take care of low-income consumers who will struggle with rising energy prices and the increased cost of consumer goods. The steps taken in this bill are certainly a good start.

However, I am concerned that we could be delivering rebates to low-income consumers more efficiently than we do in this legislation. Already, nearly 3,000 of the 5,400 households in my State who qualify for heating assistance are exhausting their benefits in the dead of winter every year.

We cannot put seniors and low-income households in the position of having to stretch tight household budgets to the breaking point simply to heat their homes, drive to work and put food on the table.

I look forward to working with Chairwoman BOXER and others to make sure our most vulnerable citizens are taken care of, which I know is as high a priority for her as it is the rest of us.

Lastly, I want to say a word about public transportation which falls within the jurisdiction of the Banking Committee. Given that the transportation sector is responsible for a third of all U.S. greenhouse gas emissions, clearly we need to direct significant resources toward public transit, which reduces the number of cars on the road.

While I thank Chairwoman BOXER as well as Senators LIEBERMAN and WARNER for recognizing transit's importance in this bill, I do believe more needs to be done, and I look forward to working with them to make that possible.

Ultimately, I believe this bill represents an important first step toward grappling with what may prove to be the defining challenge of our age. And if we meet this challenge, it could mean the difference between rural America being left behind by the 21st century economy or becoming the engine that drives it.

It may be the difference between small businesses being burdened by energy costs or finding innovative ways to drive them down.

It may well be our very best chance to give our children and grandchildren the future of hope, prosperity, and optimism I know we all want to give them.

I thank the Chair for this opportunity, yield the floor, and look forward to this debate continuing in the coming weeks and months.

Mr. JOHNSON. Mr. President, today I share with my colleagues some thoughts regarding how to reduce worldwide greenhouse gas emissions and a few key benchmarks I believe should be included in a national strategy to address this environmental and economic security challenge.

The scientific evidence linking the effects of man-made releases of carbon dioxide and the warming of the Earth's climate is clear. In 2007, the Intergovernmental Panel on Climate

Change analyzed the science on climate change and concluded with high probability that the Earth is dramatically warming and that the atmospheric concentration of CO<sub>2</sub> is at the highest level in 400,000 years. To forestall the most significant effects of predicted changes in the world's climate over the next 50 years, the United States and other major emitting nations must begin to transition to a low-carbon economy. Although South Dakota may avoid the direct consequences of rising sea levels or more powerful storms caused by climate change, in many other respects my State is vulnerable to changes in the Earth's temperature. More frequent and severe droughts would dramatically harm the State's economy. The loss of productive farmland, denuded pastureland, and scarce ground and surface water supplies are probable under the current scientific modeling on a warming planet. The Prairie Pothole Region, which is partially located in my State, and is the most important duck and geese habitat in North America, is threatened by the effects of climate change. These changes, if borne out in the next generation, would have significant and severe economic consequences for my State.

Understanding clearly the probable environmental harm from taking no action, I support a mandatory, nationwide program that limits greenhouse gas emissions. I have voted in support of a nationwide plan previously because it is important to reach agreement and understanding on the complicated legislative, regulatory and economic choices from a nationwide strategy.

With the strong, peer-reviewed scientific conclusions linking climate change to human caused greenhouse gas emissions, the future uncertainty and cost of a nationwide program to reduce these emissions challenge our path to producing the optimal bill. We need to take strong steps with an early no regrets policy of action. Over the longer-term, addressing this problem will require changes in how we produce and use energy. It is realistic to expect such a plan to have costs. Transitioning to lower carbon forms of energy production not yet commercially deployable could increase the price of producing energy. Creating policies and incentives that contain those costs over the next several decades to lessen impacts to consumers is a key concern of mine.

A nationwide plan that caps greenhouse gas emissions must make room for the expansion of traditional fossil fuel generation sources to meet growing energy demand. I am a strong supporter of renewable energy—biofuels, wind and solar energy can and should make up an increasingly greater share of our country's energy mix. I support a mandatory, nationwide renewable electricity standard to increase the amount of renewable electricity produced from less than 5 percent currently to a requirement of 15 percent in

the next 10 years. However, we need the full suite of energy resources and that includes natural gas and coal. In my State, we have a diverse mix of energy resources, including hydropower, wind, natural gas and coal-fired generation. To keep that available and cost-competitive mix of fuels, a mandatory greenhouse gas reduction program must be linked to an aggressive and dedicated source of funding for reducing the emissions from conventional energy sources. Carbon capture and sequestration is a path forward to keep coal as a fuel source, but reduce harmful CO<sub>2</sub> emissions.

Commercially deployable CCS technology is not yet available. It will take several more years and billions of dollars in research and testing to develop the right types of CCS processes that separate CO<sub>2</sub> from the emissions stream. Accordingly, it is important to try to link reductions from existing sources with the likely path of technology development. Is it possible to completely match up reduction targets with technology development? Probably not. Technology develops at an inconsistently timed pace. Nonetheless, a plan that includes an unrealistically optimistic emissions reduction schedule that does not meet up with the resources for next-generation emission reduction technologies will break the program and hamper our efforts to reduce greenhouse gas emissions.

Part of the solution to this challenge resides in ensuring that incumbent as well as new entrant fossil fuel generators can manage price and emission reductions and have the resources to invest in new, low-emitting technologies. Allowance distribution should, as one factor, take into consideration historic emissions in allocating emission allowances. A limited and tightly controlled auction and other distribution calculations can be incorporated into this framework, but if we don't get this part of the program right it could swamp our efforts in other parts of the economy to wring carbon from the production process.

The good news is that South Dakotans can bring our strengths to contributing to the solution of a low carbon and economically strong America. Farmers, ranchers and forestland owners can play an important role in reducing greenhouse gas emissions. Agriculture practices and land management decisions that sequester carbon dioxide are cheap and efficient ways to comply with the requirements of a nationwide and mandatory program. The use of limited offsets and the flexibility of producers and landowners to get credit for past, current and future action target an incentive that eases costs for other sectors of the economy while at the same time creating an income stream for rural America. A ton of carbon sequestered, verified, and accounted is as powerful as reducing a ton of carbon from the smokestack of an electric utility or the smelter from a manufacturing facility. There is a

strong coalition of Senators who believe that a vigorous offset program should be part of a comprehensive climate bill. Properly administered, offsets lower costs and improve compliance which is why I am confident that such a plan strengthens the objectives of a low carbon economy.

Mr. President, I feel confident the Congress can come together and address these challenges. Those deniers of the problem who throw up obstacles and simply say no to any and all avenues for action will find themselves increasingly marginalized and ineffective as the American people demand a serious response to a serious problem. My objectives and concerns should be viewed as a way to make an eventual policy more equitable and efficient. The consequences of taking no action are dire and simply unacceptable. Although the Congress will not find consensus this year on tackling the problem, I am glad that the Senate has started a much needed debate on this issue and count myself in the vast majority of citizens who feel we have the capability to curtail the effects of climate change.

(At the request of Mr. REID, the following statement was ordered to be printed in the RECORD.)

• Mr. BYRD. Mr. President, the Constitution places the power of the purse squarely in the hands of Congress. The Lieberman-Warner climate security bill and the Boxer substitute to it, however, thwart the Constitution and longstanding tradition by shifting much spending power to the executive branch. In order to protect Congress's constitutional role to make spending decisions, I have introduced an amendment, cosponsored by Senators MURRAY, DORGAN, LEAHY, DURBIN, FEINSTEIN, and MIKULSKI.

Enacting this climate change legislation in its current form would vest unelected executive branch boards and agencies with unprecedented discretion on Federal spending in excess of more than \$1.4 trillion in new and existing Federal programs over a span of 38 years.

Rather than Congress making decisions on funding and conducting oversight of Federal programs as intended by the Constitution, much of these responsibilities would be in the hands of the executive branch agencies.

In one specific case, the burden would be on Congress to stop executive branch decisions on Federal spending related to climate change initiatives. The Climate Change Technology Board would simply have to notify congressional committees 60 days in advance of a funding distribution for a range of energy technology programs. The money would be spent unless Congress could pass a law, signed by the President, to stop it. Effectively, the Senate could only stop the spending if it could muster 67 votes.

The legislation would not expire until 2050, meaning that the executive branch would go unchecked on spending decisions related to climate change

initiatives for 38 years. Our Founding Fathers clearly did not intend for Congress to relinquish the power of the purse to any President for any issue—and certainly not for nearly four decades on such a crucial and timely issue.

The clock is certainly ticking for America to take more responsible action on the global climate security challenge. Congress should retain its active role in funding and oversight of climate security programs, as it does for every other Federal program. It would be irresponsible to concentrate such power in the executive branch and then sit on the side lines watching as Federal agencies take action without a congressional check.

There is concern that the new funds raised in this bill through the auctioning of emissions allowances should be spent on the measures authorized in this bill to address climate change. Some may worry that our amendment would allow these new receipts to just sit in the Treasury and not get spent on their intended purpose. That is simply not the case.

Our amendment, No. 4920, addresses that concern head-on by granting these receipts special budget treatment and requiring that they be allocated only to the specified purposes and programs authorized in this climate change bill. The Committee on Appropriations would continue its rightful role in allocating these funds.

Under this approach—known as “offsetting collections”—the amounts are appropriated annually in appropriations acts for the specific purposes allowed under the authorization act, but those appropriations are paid for by the auction receipts collected pursuant to the Boxer substitute. The receipts serve to offset the cost of the appropriation.

The “offsetting collections” model has worked successfully in the past. It has given the authorizing committees that have raised new fees the comfort that their new revenues would be spent on their intended purpose. At the same time, it has given the Committee on Appropriations the ability to continually oversee the spending of these funds and ensure that they are spent responsibly.

For example, the Appropriations Committee has successfully coordinated this approach with the Commerce Committee for new receipts that were established after the September 11 tragedy for the costs of the Transportation Security Administration. Every penny of the security fees that were newly established in the Aviation and Transportation Security Act have been appropriated annually by my Homeland Security Appropriations Subcommittee Act and only for the purposes specified in the authorizing law.

The purpose of our amendment is not to put a roadblock to these funds being spent. To the contrary, it is to keep honor with the intent of Chairman BOXER and her legislation while simultaneously keeping honor with the Con-

stitution of the United States and the role of the legislative branch.●

Mr. INHOFE. Mr. President, there have been several companies, organizations, unions, and environmental groups that have come out against this bill by sending letters urging Senators to vote no on the legislation. I ask unanimous consent to have printed in the RECORD these letters signed by the following groups:

Duke Energy, National Association of Manufacturers, U.S. Chamber of Commerce, United Auto Workers, Farm Bureau, and the United Mine Workers of America.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FARM BUREAU,  
May 30, 2008.

DEAR SENATOR: The full Senate is expected to debate climate change legislation, S.2191, the Lieberman-Warner Climate Security Act, during the week of June 2. We also expect that there will be a Boxer substitute amendment that will be the focus of the debate. The American Farm Bureau Federation urges you to oppose the substitute.

Agriculture can play a significant role in addressing climate change by reducing and sequestering carbon through tillage practices, manure and soil management, and other practices. These practices can also help to offset the emissions reductions imposed by cap and trade legislation, thereby reducing the costs of the bill to regulated industries and to consumers. The Boxer amendment fails to recognize these benefits that agriculture can provide.

While establishing a domestic offset market, the bill fails to assure that domestic offsets will be available. It leaves the decision whether to allow any agricultural offsets at all, and which to allow, at the sole discretion of the Environmental Protection Agency. The bill establishes an artificial cap of 15 percent on the number of domestic offsets available, and further provides that any unfilled portion of that amount may be filled by international offsets. The cap on agricultural offsets stifles efforts of producers to reduce or sequester carbon, and the cap on offsets also increases the economic impacts of the legislation on businesses and consumers.

The bill also stifles development of agricultural reduction or sequestration projects by creating uncertainty as to whether projects will even be approved for the offset market. The bill requires any project to be completed first and the carbon reduction or sequestration benefits be verified before a decision to approve is made. This uncertainty creates a disincentive for project managers and buyers of offsets to enter into carbon reduction projects if they might not be approved as offsets.

Many agricultural practices that reduce or sequester carbon also have other environmental benefits. For example, reduced tillage practices have soil erosion control and water quality benefits in addition to sequestering carbon. By requiring that projects may not be approved as offsets unless their sole purpose is to reduce greenhouse gas (GHG), the bill disqualifies many otherwise worthwhile projects that have collateral environmental benefits, and may discourage the development of these multi-benefit projects.

Finally, unilateral carbon mandates by the United States that impose cost increases on American producers without a corresponding and similar commitment from other countries such as China, India or Brazil, among others, puts American producers at a signifi-

cant competitive trade disadvantage. Any benefits from reduced GHG emissions by the United States will be minimal if other countries continue to emit as usual.

Agriculture can play an important role in reducing and sequestering carbon, and thereby ease the costs to industry and to society of compliance with emission reductions. Its role must be fully recognized in any climate change legislation. The Boxer substitute fails to recognize this and provides no assurances that agriculture will have any opportunity to mitigate the obvious increased costs of this legislation. We urge you to oppose it.

Sincerely,

BOB STALLMAN,  
President.

DUKE ENERGY CORPORATION,  
Charlotte, NC, June 2, 2008.

DEAR SENATOR: I appreciate the tough decisions you may be called on to make in the next several days as climate change legislation comes to the Senate floor for, what I hope will be, a healthy debate. I am grateful for the courtesy you've extended Duke Energy and me personally in allowing us to make our case for a fair climate bill that benefits the environment without penalizing the customer.

As you are well aware, Duke Energy has been a strong supporter of enacting a mandatory, economy-wide greenhouse gas cap-and-trade program. As this issue has continued to develop over the last several years we have taken a leadership role in working with a wide group of affected stakeholders on both sides of the debate to try and find common ground and move this issue forward. I think we have made progress in that regard, and I am confident more will be made in the months ahead.

But we have said from the beginning that, as important as it is for Congress to act on climate change, it is just as important that Congress get it right. In our view, the legislation Senator Boxer plans to offer on the Senate floor does not meet that test. Its provisions, as written, would impose excessive and unfair costs on our customers which, in our view, would unnecessarily disrupt the regional and national economies.

While costs cannot be a reason for inaction, they must be part of the decision making process. Our country will require time as we transition to a low-carbon economy and Congress must find effective ways to cushion that transition, which is particularly important for customers in states that depend heavily on fossil fuel generation. Senator Boxer's amendment makes some progress in trying to mitigate these economic concerns, but it does not go far enough to ensure against substantial electricity price increases on Day 1 of the program. Customers in the 25 states whose generation is more than 50 percent coal-fired will pay a disproportionate share of these higher costs.

As previous successful cap-and-trade programs have shown, there are more effective ways to achieve our environmental goals, while keeping costs low. Providing transitional allowances to fossil generators based on and equal to historic emissions proved to be a win-win for customers and the environment under the Acid Rain Program and Duke believes this approach would have the same results under carbon legislation.

If the measure to be debated were enacted into law, costs to the average household, especially in those 25 coal-based states, would increase rather quickly because a significant number of emission allowances would have to be purchased through an auction at a fluctuating price. These costs to consumers would be in addition to increased costs for the capital investments required for actually

lowering carbon emissions. The additional charges paid by these customers to buy allowances will not lower carbon emissions by one ounce, but will have a profound economic impact on their everyday lives.

In 2007 Duke Energy provided electricity to more than 3.7 million homes in South Carolina, North Carolina, Ohio, Indiana, and Kentucky. More than 20 percent of these homes had a combined income of less than \$25,000 a year, with 7 percent earning less than \$10,000 a year. These families are already struggling due to higher prices for other goods and commodities and it is unfair and unnecessary to require them to fund a substantial portion of the climate program through increased energy bills. And while there are provisions contained within the bill to assist low-income families with their energy bills, it is somewhat disingenuous to tell them they will get a rebate when they get back only a fraction of what they put in.

As I have stated before, addressing climate change should be a transition from where we are today to where we need to be tomorrow. The program will not work if it is based on the premise that there needs to be an immediate upheaval of our current infrastructure base. Instead, legislation will work if its intent is to build the foundation to transition our economy to a low-carbon environment.

Even without a national climate change policy Duke Energy is implementing steps to lower its carbon footprint. We continue to invest in energy efficiency and over the next five years plan to invest approximately \$23 billion (almost equal to our current market cap) to make our entire system more efficient, retire inefficient plants and increase our renewable energy portfolio. These investments show Duke Energy's commitment to addressing climate change. But, this transition will take time and cannot be accomplished overnight.

While it is unfortunate that Duke Energy cannot support the current climate change measure, we remain committed to being a constructive part of the debate as this issue moves forward. Strong leadership will be required to pass legislation that protects our environment, protects our economy and protects our customers and I look forward to working with you to make this a reality.

Sincerely,

JAMES E. ROGERS,  
Chairman, President and CEO.

NATIONAL ASSOCIATION OF  
MANUFACTURERS,  
Washington, DC, June 3, 2008.

Hon. JAMES M. INHOFE,  
U.S. Senate, Senate Russell Office Building,  
Washington, DC.

DEAR SENATOR INHOFE: On behalf of the National Association of Manufacturers (NAM), the nation's largest industrial trade association representing manufacturers in every industrial sector and in all 50 states, I urge you to oppose S. 3036, the Lieberman-Warner Climate Security Act, as introduced.

The NAM understands the importance of environmental stewardship. Our member companies are committed to pursuing reductions in greenhouse gas (GHG) emissions, provided that any commitments made by the United States are mirrored by comparable commitments by our trading partners, are based on sound science and cost-effectiveness, and are applied equally throughout the economy.

The NAM opposes S. 3036's nationwide cap-and-trade program because it:

- Does not pre-empt conflicting state and local climate change laws and/or regulations;
- Imposes major new requirements on businesses without sufficiently protecting U.S. competitiveness or funding the research, development and commercial deployment of essential new technologies;
- Omits "safety valve" provisions that are key to ensuring cost containment;
- Is limited in scope and does not include all sectors of the economy;
- Unnecessarily increases demand on natural gas, driving up energy costs and job losses;
- Does not adequately promote global participation; and
- Creates a multitude of conflicting and duplicative regulations for manufacturers.

The NAM, in cooperation with the American Council for Capital Formation, commissioned a study earlier this year to assess the potential economic impacts of the Lieberman-Warner legislation. The study concluded that, if adopted, the legislation by 2030 could lead to net national employment losses of up to 4 million jobs, electricity price increases of up to 129 percent, gasoline price increases of up to 145 percent and a loss of household income of up to \$6,752 per year.

Manufacturers are committed to working with Congress to establish sensible and responsible federal climate change policies that reduce GHG emissions, but these policies must maintain a competitive playing field for American companies. S. 3036 fails this test, and we oppose its passage. We will be closely evaluating amendments that affect U.S. manufacturers and workers and will be communicating our views on these amendments prior to their final consideration.

The NAM's Key Vote Advisory Committee has indicated that votes on S. 3036, including votes on related amendments or procedural motions, merit designation as Key Manufacturing Votes.

Thank you for your consideration.

Sincerely,

JAY TIMMONS,  
Executive Vice President.

UNITED MINE WORKERS OF AMERICA,  
Fairfax, VA, May 27, 2008.

Re: S. 2191

Hon. BARBARA BOXER,  
Chair, Environment and Public Works Committee, Senate Dirksen Office Building,  
Washington, DC.

Hon. JAMES INHOFE,  
Ranking Minority Member, Environment and Public Works Committee, Senate Dirksen Office Building, Washington, DC.

DEAR SENATORS BOXER AND INHOFE: As President of the United Mine Workers of America (UMWA), I am writing to explain why we do not support S. 2191, the Lieberman-Warner Climate Security Act of 2008.

The UMWA has participated in the global climate change debate for more than 15 years, both domestically and abroad as an NGO at all major negotiating sessions of the U.N. Framework Convention on Climate Change (FCCC). Last July, we were pleased to join the AFL-CIO and many of our labor colleagues in endorsing the bipartisan Bingaman-Specter bill, S. 1766.

Our support for S. 1766 reflected our agreement with its emission reduction targets and

timetables provisions to accelerate the commercialization of carbon capture and sequestration (CCS) technology, and projected moderate impacts on the U.S. economy overall, and on coal utilization in the electric utility sector. Recent analyses by EPA and EIA confirm our judgment in this regard.

We met with Committee staff during the development of S. 2191, expressing our deep concerns about the Bill's overly aggressive targets and timetables for near-term reductions, particularly the magnitude of reductions required by 2020. It is not feasible to deploy CCS technology on a large-scale basis by that time. With the economy-wide emission trading system employed by S. 2191, the electric utility and coal industries would bear the brunt of the adverse economic and job impacts associated with compliance. EIA's recent analysis shows that over time, these adverse impacts will spread across our manufacturing and industrial base.

The severity of these impacts cannot be justified on environmental grounds in light of EPA's analysis of the comparative global CO<sub>2</sub> concentrations resulting from alternative climate change bills before the Senate. In essence, there is no significant difference among these bills measured in terms of future atmospheric concentrations of CO<sub>2</sub>.

The world's ability to stabilize future global CO<sub>2</sub> concentrations—the long-term goal of the U.N. FCCC—depends overwhelmingly upon the willingness of major developing economies like India, China, Brazil and Mexico to accept meaningful commitments to reduce their future rate of emissions. The magnitude of their commitments will not be evident until the conclusion of the Copenhagen negotiations scheduled for December 2009.

We appreciate the efforts that you and the Committee have made to accommodate labor's interests in the initial bill, the Committee mark-up, and the Manager's Amendment. CCS bonus allowances, provision for Davis-Bacon compliance, inclusion of the IBEW-AEP trade provisions from S. 1766, a limited cost-containment "off-ramp" and additional technology incentives are welcome additions. However, these measures do not mitigate the severe adverse impacts that S. 2191 would have on American workers, primarily due to the unrealistic schedule of emissions reductions required by 2020, just 12 years from now.

IMPACT ON COAL UTILIZATION

Both EPA and EIA's analyses of S. 2191 indicate that U.S. coal production for electric generation would be sharply reduced due to the concentration of emission reductions in the utility sector, in turn reflecting the low availability of CCS technology when the 2020 reductions are required. Emission reductions in the transport sector are minimal in comparison.

The table below summarizes EIA's findings for electricity generated by coal and natural gas under its business-as-usual Reference Case, Core S. 2191 case, and "Limited Alternatives" case for 2020 and 2030. EIA's core case assumes that nuclear generation will triple by 2030. The limited alternatives case constrains coal-based CCS, new nuclear power, and renewables generation to reference case levels.

EIA S. 2191 PROJECTIONS OF COAL AND NATURAL GAS ELECTRIC GENERATION, 2020 AND 2030

(Billions of kilowatt-hours and pct. chg. from 2006)

	2006	2020 Ref. Case	2020 Core Case	2020 Ltd. Alter.	2030 Ref. Case	2030 Core Case	2030 Ltd. Alter.
Coal .....	1,988	2,357	1,890	1,606	2,838	703	703
		+19%	-5%	-19%	+20%	-65%	-65%
N. Gas .....	806	833	761	1,094	741	427	1,558

EIA S. 2191 PROJECTIONS OF COAL AND NATURAL GAS ELECTRIC GENERATION, 2020 AND 2030—Continued

[Billions of kilowatt-hours and pct. chg. from 2006]

	2006	2020 Ref. Case	2020 Core Case	2020 Ltd. Alter.	2030 Ref. Case	2030 Core Case	2030 Ltd. Alter.
		+3%	-6%	+36%	-8%	-47%	+93%

Source: DOE/EIA, n.2, Table ES2.

These findings, showing a 65% reduction in coal use in both the core and limited alternatives cases from 2006 levels, underscore our concerns about the lopsided impacts of S. 2191 on our members. We also note the potential for huge increases in the demand for natural gas in the limited alternatives case, with adverse implications for other industries and consumers dependent on scarce gas resources. If EIA's core case assumptions about the robust growth of nuclear power proved optimistic, utilities would have little choice but to switch from coal to natural gas on a massive, unprecedented scale.

EPA's results are consistent with EIA's findings. EPA projects that coal production for electric generation would decline from 1.1 billion tons in 2010 to less than 800 million tons in 2020, and to less than 700 million tons by 2025—a reduction of nearly 40% from 2010 production. Electricity prices are forecast to increase 44% by 2030, assuming that allowance cost can be partially passed through to consumers.

EPA attributes the disproportionate concentration of emission reductions in S. 2191 within the utility sector to the "relatively modest indirect price signal an upstream cap and trade program sends to the transpor-

tation sector." EIA's analysis of the distribution of CO<sub>2</sub> emissions expected in 2020 and 2030 under its core case and five alternative cases shows a similar disproportionate impact on the electric power sector.

MANUFACTURING AND OTHER INDUSTRIAL SECTORS

Higher electricity and other fuel costs would depress demand for industrial output and result in job losses across of the economy. EIA's analysis compares the reduction of the value of industrial shipments (excluding services) for S. 2191 and S. 1766, as summarized below for the S. 2191 core and limited alternatives cases:

IMPACTS OF S. 2191 AND S. 1766 ON INDUSTRIAL SHIPMENTS, 2020 and 2030

[In billions of 2000 dollars and pct. change from reference case]

	2020 Core Case	2020 Ltd. Alter.	2030 Core Case	2030 Ltd. Alter.
S. 2191	-\$100	-\$153	-\$233	-\$354
	-1.4%	-2.1%	-2.9%	-4.4%
S. 1766 Update	-\$55	n.a.	-\$139	n.a.
	-0.8%		-1.7%	

Source: DOE/EIA, n. 2, Table 4.

The adverse impacts of the Bingaman-Specter bill on industrial shipments (and by implication, on industrial employment) are roughly one-half those projected for the S. 2191 core case, and one-third those for the limited alternatives case.

At 2002 productivity rates, each U.S. manufacturing worker produced shipments or sales receipts of some \$266,000 annually. At this rate, one billion dollars of reduced manufacturing output translates to approximately 3,750 direct job losses. A loss of \$354 billion of industrial shipments could represent the loss of 1.3 million jobs. Multiplier effects for indirect job losses are typically a factor of 2 to 3 times direct job losses, implying total potential job losses of 2.7 to 3.9 million American workers.

Given the rising uncertainties about our future economic growth, sacrificing an additional hundred billion dollars or more of annual industrial output relative to other policy measures is difficult to justify without a compelling demonstration of offsetting environmental benefits. We do not believe such a demonstration is possible for differences of a few parts per million of global CO<sub>2</sub> concentrations 50 to 100 years from today.

LOOKING AHEAD

The global climate debate has progressed rapidly in the past few years due to the commitment and sincere efforts of leaders on both sides of the aisle in seeking balanced solutions that can protect the American economy and jobs while achieving significant reductions of greenhouse gases. This is the basic objective that has guided our involvement in this issue from the outset.

Legitimate debate remains about measures such as cost containment, preemption of duplicative state and regional cap-and-trade programs, emission offsets, international trading, technology incentives and other provisions of S. 2191. We remain persuaded, however, that the key to striking an appropriate balance must involve adjustment of unrealistic targets and timetables that do not provide sufficient time for the widescale commercial deployment of CCS technology. Neither advance allowance auction reserves, as proposed by the Manager's Amendment, nor additional CCS incentives will allow CCS

to play a major role in compliance plans by 2020. It requires a decade or more to site, permit and construct a single baseload facility.

We look forward to working with you and your colleagues in the Senate as you seek to further improve S. 2191.

Sincerely,

CECIL E. ROBERTS.

WASHINGTON, DC, June 2, 2008.

DEAR SENATOR: This week the Senate is scheduled to consider legislation to decrease emissions of greenhouse gases, the Lieberman-Warner Climate Security Act of 2008 (S. 2191). At that time, we understand that Chairwoman Boxer and Senators Lieberman and Warner intend to offer a manager's amendment making a number of important changes in the bill that was reported by the Committee on the Environment and Public Works. Unfortunately, even with these changes the legislation still contains serious defects that would undermine the environmental benefits, while posing a threat to economic growth and jobs. Accordingly, the UAW opposes this bill in its current form. We urge you to insist that the legislation must be modified to correct these defects.

The UAW agrees that climate change is a serious problem that urgently needs to be addressed through the establishment of an economy-wide cap-and-trade program. We commend Chairwoman Boxer and Senators Lieberman and Warner for crafting legislation that would establish this type of program and achieve very significant reductions in greenhouse gases. The UAW is pleased that this bill covers the electric power, industrial and transportation sectors, which account for the overwhelming percentage of greenhouse gas emissions. We are also pleased that the transportation sector is covered on an "up-stream" basis through the regulation of fuels, which is the most economically efficient mechanism. The UAW applauds the inclusion of transition assistance for workers. And we welcome the provisions allocating allowances to states whose economies rely heavily on manufacturing.

The UAW would especially like to commend the chief sponsors of this legislation for including provisions (Sections 1111-1115)

establishing a Climate Change Transportation Technology Fund that would use revenues from the auction of 1 percent of the allowances each year to finance a manufacturer facility conversion program. This critically important initiative would provide grants to manufacturers to pay for up to 30 percent of the costs to retool facilities in the United States to produce advanced technology vehicles (hybrids, clean diesels, fuel cells) and their key components. This will help to speed up the introduction of these advanced technology vehicles, thereby reducing oil consumption and greenhouse gas emissions. At the same time, it will provide a significant incentive for auto and parts manufacturers to retool facilities in this country to produce these vehicles of the future and their key components. This can create tens of thousands of jobs for American workers.

While recognizing these very positive provisions in S. 2191, the UAW still is very troubled by a number of provisions and omissions.

1. Even though S. 2191 establishes an economy-wide cap-and-trade program to reduce greenhouse gases, Section 1751 makes it clear that the Environmental Protection Agency (EPA) would retain residual authority under the Clean Air Act to regulate CO<sub>2</sub> emissions. This effectively means that EPA would be free to disregard key decisions that Congress will make in considering S. 2191 concerning the timetable for reductions in CO<sub>2</sub> emissions, the appropriate point of regulation, and the distribution of economic burdens. Instead, EPA would be free to regulate CO<sub>2</sub> emissions from the electric power, industrial and transportation sectors in ways that differ fundamentally from S. 2191. The UAW believes it is inappropriate and untenable to allow a federal agency to supersede decisions by Congress in this manner.

2. Section 1731 of S. 2191 does not simply preserve existing state authority to regulate greenhouse gas emissions. Instead, as the Committee report makes clear, this provision is drafted in a manner that would trump

pending litigation concerning the scope of existing state authority—specifically whether state auto CO<sub>2</sub> tailpipe standards are preempted by federal law. The UAW believes the courts should be allowed to resolve this contentious issue. Thus, Section 1731 should be redrafted to indicate that it is just preserving existing state authority, not deciding what the scope of that authority is.

3. S. 2191 fails to deal with the important issue of how state climate change measures will interface with the federal cap-and-trade program. Instead, it simply calls for a study on this issue (Section 1761). Because of this critical omission, the unfortunate reality is that state climate change measures would result in ZERO additional reduction in greenhouse gas emissions beyond the level already mandated by the federal cap-and-trade program established by S. 2191. Although state measures could reduce emissions from a particular sector, this would simply relax the pressure from the federal cap on other sectors, without providing any net environmental benefit. The UAW submits that this is a nonsensical result. If the states are going to be allowed to implement climate change measures that impose significant economic burdens on particular industries, a mechanism should be established to ensure that these state measures can interface with the federal cap-and-trade program in an appropriate manner, and thereby provide additional reductions in greenhouse emissions.

The UAW believes this can easily be accomplished by allowing entities regulated by state climate change measures to purchase and retire allowances from the federal program to satisfy the state standards (to the extent they are more stringent than comparable federal standards). This would guarantee that the state measures actually provide an environmental benefit through additional reductions in greenhouse gas emissions, while also allowing this to be accomplished in the most economically efficient manner in keeping with the fundamental premise of the federal cap-and-trade program.

4. In our judgment, S. 2191 still does not deal adequately with the problem of international competition. We recognize that the manager's amendment includes a number of changes that strengthen the provisions of the bill that are intended to encourage other nations—especially India and China—to adopt comparable climate change programs, and to prevent American businesses and workers from being placed at an unfair competitive disadvantage. However, the UAW is still concerned that the definition of "manufactured item for consumption" (Section 1301(13)) grants too much discretion to the International Climate Change Commission and the EPA in determining whether finished products (such as automobiles or auto parts) are subject to the international reserve allowance requirements. If these products are not covered, this could pose a major threat to the jobs of American workers. Thus, we believe this section of the legislation needs to be redrafted to make it clear that these products are in fact covered.

The UAW strongly urges the Senate to correct the foregoing deficiencies in S. 2191. We believe all of these concerns can be addressed in a manner that is consistent with the essential thrust of S. 2191. If these problems are not corrected, we urge you to oppose this legislation.

The UAW also urges you to reject amendments that may be offered by various industries such as steel and airlines—to exempt the coal or oil that they use from the requirements of the cap-and-trade program. We firmly believe that a cap-and-trade program covering most of the economy is the

only fair and effective way to meet the challenge posed by climate change. To the extent any industries obtain special "carve outs" for themselves, this will only serve to increase the pressure on the rest of the industries and sectors that are still covered under the cap-and-trade program. In the end, this could unravel the prospects for enacting any meaningful federal program to combat climate change.

The UAW recognizes that Senate consideration of S. 2191 represents the beginning of a long process to determine federal policy to address the serious threat posed by climate change. The UAW looks forward to working with Congress and a new administration to pass legislation establishing a federal cap-and-trade program that resolves the concerns discussed above, achieves major reductions in greenhouse gases, and enhances prospects for economic growth and the creation of jobs for American workers.

Thank you for considering our views on this critically important issue.

Sincerely,

ALAN REUTHER,  
Legislative Director.

U.S. CHAMBER OF COMMERCE,  
Washington, DC, June 5, 2008.

TO THE MEMBERS OF THE UNITED STATES SENATE: The U.S. Chamber of Commerce, the world's largest business federation representing more than three million businesses and organizations of every size, sector, and region, strongly urges you to oppose cloture on the Boxer manager's amendment to S. 3036, the "Lieberman-Warner Climate Security Act of 2008." This week's truncated debate left many serious questions unanswered as to how to control domestic and international greenhouse gas emissions while keeping costs in check and assuring a reliable energy supply. As the debate vividly demonstrated, S. 3036 is not the proper vehicle to answer those questions.

First, and foremost, S. 3036 will be very expensive. Its predecessor, S. 2191, was forecast by a range of analyses to result in two to four million lost jobs, as high as 60 to 80 percent increases in household energy prices, as much as a 3.4 percent decrease in GDP, and an annual household cost of compliance, ranging from \$1,000 to \$6,700. Although S. 3036 was brought to the floor too rapidly for similar studies to be completed, it is clear that the cost of purchasing allocations under the bill would result in a \$3.2 trillion tax. Moreover, the Congressional Budget Office recently estimated that S. 3036 would result in tens of billions of dollars annually in private sector mandates.

S. 3036 also creates a massive federal bureaucracy, via more than 300 mandates, that must be translated into rules, regulations and reports by the Executive Branch. The result: a cavalcade of new bureaucrats, decades of costly implementation and prolonged litigation. The Chamber's chart summarizing this regulatory nightmare is available at: <http://www.uschamber.com/issues/index/environment/080603climatechange>.

Finally, although S. 3036 earmarks a tremendous amount of money to provide support for the families impacted by the legislation, it fails to support the research and development of the technologies necessary to continue powering our economy as fossil fuels are restricted by the cap. S. 3036 also fails to address the problem of deployment, specifically the streamlining of permits for low- and zero-carbon energy technologies.

The Chamber strongly urges you to protect American jobs and the economy by voting no on cloture on the manager's amendment to S. 3036, and will include this vote in our annual How They Voted scorecard.

Sincerely,

R. BRUCE JOSTEN.

Mr. LEVIN. Mr. President, I invoke cloture in order to move forward with the debate and break the Republican filibuster so that we can amend and improve the bill in order to begin to address the problem of global climate change. I oppose it in its current form and would have voted no if the vote were on whether to pass the bill. For this reason, I joined with other Senate colleagues in a letter identifying many of my concerns and outlining a way to move forward. A copy of this letter is printed at the end of this statement.

Chairman BOXER and Senators LIEBERMAN and WARNER have taken on a matter of global significance, which will impact both present and future generations.

We are in agreement on the fundamentals: Global warming is occurring, and human activity is causing it. Scientists tell us that we need to act with urgency to attain the levels of global greenhouse gas concentrations in the atmosphere that will prevent catastrophic impacts from occurring.

The impacts of global climate change are being realized already. We have already been experiencing more heat waves, shorter winters, and more frequent severe weather events.

In the future, the EPA estimates that an acceleration in heavy rainfall events will cause more runoff, stressing the sewer infrastructure and harming water quality. Other projected future impacts are even more alarming: Portions of countries and entire islands could be lost to rising sea levels, crop yields could significantly decline, water shortages are expected, and droughts, hurricanes, and floods will likely increase.

Most experts agree that these phenomena will have a huge impact on people living in less developed countries and could result in the mass displacement of millions throughout the world. Along with dire environmental and economic consequences, climate change could also impact our national security. Heightened domestic and international tensions caused by competition for scarce resources such as fresh water or agricultural land may result in armed conflict in and between nations.

While we agree on the fundamentals of the problem, I have some differences with the approach of this bill regarding how to confront the immense and complex problem of global climate change. I have consistently argued that the best way of addressing global warming is through an effective and enforceable international agreement that binds all nations to reductions in greenhouse gases, including developing nations such as China and India. Proponents of this bill have argued that U.S. action through this cap-and-trade bill will prompt action by other countries to reduce their emissions. The international provision in this bill that attempts to level the playing field may put some pressure on other countries to act, but it will not automatically get these

countries on board with us to reduce greenhouse gas emissions at levels comparable to ours. Unfortunately, if we do not get these other countries on board, what we do in the United States as a result of this bill will only have a marginal impact on controlling global greenhouse gas emissions and could create a severe economic disadvantage to us.

This bill does not adequately assure American manufacturing a level playing field. A recent Energy Information Administration analysis, EIA, projected manufacturing job losses in the hundreds of thousands each year if the Lieberman-Warner bill were signed into law. Cumulative job impacts in the manufacturing sector through 2030 are estimated at between 2 to 14 million manufacturing jobs. We have already lost 3.3 million manufacturing jobs since 2001, about 250,000 in Michigan alone. We cannot afford to lose any more because of an unlevel playing field. Significantly, EIA's projected manufacturing job losses can be attributed to manufacturers moving to countries with less stringent environmental standards. Without the proper protections, our actions may ship manufacturing facilities and the greenhouse gas emissions that go with them overseas, providing no environmental benefit while needlessly hurting our economy.

The substitute amendment offered by Senator BOXER makes few improvements to the Lieberman-Warner bill that was reported from the Environment and Public Works Committee. The cost containment auction will help to moderate emission allowance prices and help contain compliance costs, which will ultimately help control prices that hard-working consumers face. More assistance is provided to energy-intensive manufacturers to transition to a carbon-constrained world, and more allowances are provided to reward early action. The substitute amendment provides additional flexibility for covered sources to use EPA-verified offsets, which will also help control the costs of this bill. The substitute also includes some carbon market oversight mechanisms that will help monitor the new emission allowance trading market created by this bill. However, one of the changes in the substitute could have damaging impacts to our domestic auto industry because it could lead to potentially conflicting State regulations for greenhouse gas emissions from mobile sources and potentially highly unfair discriminatory impacts on U.S. manufacturers as a result of those state regulations.

I have filed a number of amendments and have cosponsored others that will strengthen the bill to protect American jobs, reduce the burdens on working families and consumers, and also protect the environment.

One of my amendments would provide Americans with protection from economic disruptions in case the costs of the bill exceed a certain level. Spe-

cifically, my amendment would suspend the compliance requirements of the cap-and-trade program if the emission allowance price reaches a prohibitively expensive amount. This amendment would provide an effective backstop if the various cost containment mechanisms included in the bill turn out to be less effective than expected and would prevent harm to the US economy.

Another amendment I filed would protect the competitiveness of U.S. manufacturers in international markets. While I am pleased that the bill sponsors included an important provision that would help level the international playing field between U.S. manufacturers and international competitors not facing similar greenhouse gas limits, if this provision does not survive a WTO challenge, the bill provides no recourse to correct the situation. My amendment would suspend this program and compliance obligations of manufacturers that face global competition if a foreign country retaliates against the international allowance requirement that would be imposed by this bill. Also, additional allowances would be provided to these manufacturers to compensate for their higher production costs that would result from this bill. This amendment would help keep manufacturers and jobs in the United States if the international reserve allowance program in title XIII results in retaliation by other countries.

I also joined Senators SPECTER and BROWN in filing an amendment that would strengthen the international reserve allowance program to ensure that importers bear the same responsibility as American manufacturers with respect to limiting greenhouse gas emissions. The bill attempts to do this by requiring certain importers to submit emissions allowances to account for the greenhouse gas emissions of their products if the product comes from a foreign country that has not taken comparable action to limit greenhouse gas emissions. However, the bill defines "comparable action" in such broad terms that it would likely exclude many countries that in fact have not taken similar actions. The bill gives discretion to the International Climate Change Commission that would be established by the bill to determine that a foreign country has taken comparable action if they are using state-of-the-art technologies to limit greenhouse gas emissions, without considering the magnitude of the reductions achieved by these technologies.

The Specter-Brown amendment would determine that a foreign country is taking comparable action only if actual greenhouse gas reductions are comparable to those achieved in the United States. The amendment would also broaden the types of imports that would be required to submit emission allowances by including both direct and indirect emissions generated in the course of manufacturing the product.

The substitute amendment only includes direct emissions and emissions associated with the electricity used to manufacture the product, which fails to account for emissions associated with other inputs used to make downstream products. The Brown-Specter amendment corrects the competitive problem that would be faced by U.S. manufacturers.

I also filed an amendment that would provide more allowances to fossil fuel-fired electric utilities whose prices are regulated. A coal-fired powerplant is limited in its ability to reduce its greenhouse gas emissions because this depends entirely on the efficiency of the generating plant. A Congressional Research Service analysis found that efficiency improvements on the order of 4-to-6 percent could be achieved by improving an existing unit, which would in turn have a 4-to-6 percent reduction in carbon emissions. The only way to further reduce emissions from a powerplant would be to install carbon capture and sequestration technology, which is not expected to be commercially available until sometime after 2030. Because the electric utilities can do very little to address greenhouse gas emissions at existing plants, it is only fair to provide emission allowances to these facilities that power homes, retail establishments, and industry with vital electric power. Limiting additional allowances to utilities whose prices are regulated will prevent companies from realizing windfall profits, which occurred in the European Union.

I continue to be concerned about provisions of this bill that could result in both conflicting cap-and-trade systems and conflicting underlying regulations for greenhouse gas emissions. I believe that Congress should adopt a mandatory Federal economywide cap-and-trade program that will be the single regulatory regime for overall control of greenhouse gas emissions. Existing State laws and initiatives should be integrated into the Federal cap-and-trade program where the policies do not conflict, but in areas where the regulations or programs conflict or overlap, there must be a single clear national authority. Federal authority in this area should be made clear in the statutory language to prevent conflicts in regulation, preserve overall efficiency, and ensure harmonization of regulations.

I am also concerned about other provisions of the Boxer substitute. These provisions, taken together, seek to preserve state authority and to reward States that have been leaders in the effort to reduce greenhouse gas emissions and increase energy efficiency. I applaud efforts to encourage energy efficiency, and I have no concerns about that aspect of these provisions. I am very concerned, however, that rewarding States for leadership in greenhouse gas emission reduction efforts in the way laid out in this bill may have the effect of setting up an unworkable system that will result in confusion, at best, and regulatory chaos, at worst.

Section 614 would provide additional allowances to States that are “leaders” in the effort to reduce greenhouse gas emissions and increase energy efficiency. A leader is not defined by the act, however, and the EPA Administrator is given the task to establish a system, by regulation, for “scoring historical State investments and achievements in reducing greenhouse gas emissions and increasing energy efficiency.” To qualify as a leader under the terms of the bill, it appears that a State must have set more stringent standards than the Federal Government. To receive the reward of additional allowances, however, a State must either have never established a cap-and-trade system or have terminated its cap-and-trade program. In other words, on the one hand, the bill is encouraging States to set their own standards in order to qualify for additional allowances, but then, on the other hand, the States are told to terminate their programs in order to receive the additional allowances. That sounds to me like regulatory chaos. Worse still, the bill does not actually require States to terminate separate cap-and-trade programs it simply provides a financial incentive to do so. Therefore, if the financial incentive is not sufficient for the State to decide to terminate its program, there is too great a likelihood there will be conflicting and confusing Federal and State cap-and-trade systems.

It simply does not make sense to have competing Federal and State cap-and-trade programs. It simply will not work. If a State were to implement a more stringent cap-and-trade program that allowed regulated entities to purchase Federal emissions allowances to satisfy State compliance requirements, this would in turn increase demand for the Federal allowances, which would increase the price of Federal allowances. Thus, such an action by a State would affect entities in other States because the Federal allowance trading market is nationwide.

Another provision of this bill that gives me cause for concern is section 1731, entitled “Retention of State Authority”, which purports to be a savings clause that simply preserves authority under existing provisions of law. I am concerned, however, about language in Senate Report 110-337, the report accompanying S. 2191, which states in part, “The purpose of this section is to make it absolutely clear that this bill does not affect the validity of these State and local greenhouse gas emissions laws and regulations (and any related laws or regulations), so long as these laws require state and local reductions of greenhouse gas emissions at least as stringent as those required by federal law. There will be no express, implied, field, or conflict preemption of these regional, state, or local efforts.” The report language concludes by saying, “In interpreting the scope of this savings clause, the courts should follow the applicable precedent

that calls for a narrow reading of federal preemption of state and local authority and a broad reading of this savings clause.” Because of that concern, I have filed an amendment that would make clear that nothing in this act confers authority on either the Federal Government or State government to establish new standards in this area.

Lastly, I want to speak to why I am so concerned about the potential for conflicting State and Federal regulations in this area, particularly as it relates to greenhouse gas emissions from vehicles. The State of California has already issued regulations to limit greenhouse gas emissions from vehicles by establishing fuel economy standards that would apply to vehicles sold in that State. A number of other States have either adopted similar regulations or indicated that they intend to do so. The net effect of these regulations adopted in many States across the country—if allowed to go into force—would be a patchwork of potentially conflicting regulations because the average fuel economy standard required in each State would be driven by the sales mix of vehicles in that particular State.

Moreover, the regulations adopted by the State of California—the model regulations that other States would adopt—include a provision that is highly discriminatory against our domestic manufacturers. The California regulations have an exemption for manufacturers who sell less than 60,000 vehicles in the State. The effect of this exemption is that the California law would only regulate vehicles made by Ford, GM, Chrysler, Toyota, Honda, and Nissan. Other manufacturers, such as Volkswagen, which is the fourth largest automaker in the world, would be exempt from the California law. In addition, automakers from Korea, India, and China and their vehicles would be exempt from the California constraints. Surely, we do not want to perpetuate such a discriminatory State law around the country. However, if the provisions of this bill confer new authority on State governments to set separate standards, we may do just that.

In response to questions I posed to Senator BOXER, the manager of the bill for the majority, concerning the scope of State and Federal authority in this bill, I have obtained from Senator BOXER answers to my questions to her, which clarify her intent as the author of the language in question. I will ask that the text of the questions and her answers be printed at the end of my statement.

I have highlighted a number of ways this legislation could be repaired. I filed amendments and cosponsored other filed amendments, which would do that. I agree with many provisions in this bill. The bill attempts to provide the necessary funding and technical resources so that we can successfully transition to a low carbon economy and recognizes at least in part the

burdens of this transition. I am pleased that the substitute amendment provides more funding for manufacturing States to implement a variety of programs and measures that would help mitigate any negative impacts from global warming or the regulatory requirements of this bill. I am also pleased that the bill funds advancements in technology that could provide jobs and also reduce greenhouse gas emissions.

The bill establishes a national wildlife adaptation fund with mandatory funding that could be used for a very broad range of activities including Great Lakes restoration projects. In developing a plan for wildlife adaptation, the bill specifically requires the President to consider the Great Lakes Regional Collaboration Strategy which was developed with extensive public involvement. I have long supported the Great Lakes Regional Collaboration Strategy, but the lack of funding has presented a serious impediment to implementing it. The President’s plan must include measures to protect, maintain, and restore coastal ecosystems to ensure that the ecosystems are more resilient to withstand the additional stresses associated with climate change, including water level and temperature changes in Great Lakes. The National Wildlife Adaptation Fund would be distributed to federal agencies for a series of wildlife programs, and the Great Lakes are eligible to receive funds through many of these programs. Each agency has the discretion to allocate funds to its various programs so it is unknown how much money the Great Lakes would receive.

To be sure, far-ranging action is needed to confront the daunting challenges of global climate change. While we are just now beginning to see the preliminary impacts of global warming, most scientists agree that the problems of climate change will only worsen in the future. I am hopeful that this debate has laid a foundation for us to move forward and for the United States to lead in what may be the defining issue of our planet’s future environment. The potential costs of global climate change are tremendous, and these costs will only mount if we wait too long to address this critical problem. Clearly, we need to act to avert a global catastrophe. However, this action must be taken in a way that does not needlessly sacrifice additional American manufacturing jobs and further burden the working men and women of our country with higher gas, food, and energy prices. We need to invest in advanced technology that will help create jobs and spur our economy as well. With significant investment in research and development, public-private partnerships and incentives for manufacturers to invest in new technologies, we can make great technological leaps to reduce greenhouse gas emissions not only here but around the world.

I ask unanimous consent that the materials to which I referred be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JUNE 6, 2008.

Hon. HARRY REID,  
Majority Leader, United States Senate, S-221,  
the Capitol, Washington, DC.

Hon. BARBARA BOXER,  
Chairman, Committee on Environment and Public  
Works, Dirksen Senate Office Building,  
Washington, DC.

DEAR MR. LEADER AND CHAIRMAN BOXER: As Democrats from regions of the country that will be most immediately affected by climate legislation, we want to share our concerns with the bill that is currently before the Senate. We commend your leadership in attempting to address one of the most significant threats to this and future generations; however, we cannot support final passage of the Boxer Substitute in its current form.

We believe a federal cap and trade program must not only significantly reduce greenhouse gas emissions but also ensure that consumers and workers in all regions of the U.S. are protected from undue hardship. A federal cap and trade program is perhaps the most significant endeavor undertaken by Congress in over 70 years and must be done with great care. To that point we have laid out the following principles and concerns that must be considered and fully addressed in any final legislation.

**Contain Costs and Prevent Harm to the U.S. Economy:** We hope that you recognize, as we do, the inherent uncertainty in predicting the costs of achieving the emission caps set forth in this or any climate legislation. While placing a cost on carbon is important, we believe that there must be a balance and a short-term cushion when new technologies may not be available as hoped for or are more expensive than assumed. There are many options to deal with the issue and all should be up for discussion in order to meet our environmental and economic goals. Ultimately, we must strive to form a partnership with regulated industries to help them reduce emissions as they transition from an old energy economy to a new energy economy which will protect both our environment and our economy."

**Invest Aggressively in New Technologies and Deployment of Existing Technologies:** There is no doubt that we need a technological revolution to enter into a low carbon economy. It is critical that we design effective mechanisms to augment and accelerate government-sponsored technology R&D programs and incentives that will motivate rapid deployment of those technologies without picking winners and losers. We also want to include proposals to provide funding for carbon capture and storage and other critical low carbon technologies in advance of resources being available through the auction of emission allowances. We also need to aggressively deploy existing energy efficiency technologies now to retrofit millions of homes, buildings and manufacturing facilities to reduce electricity costs for everyone.

**Treat States Equitably:** Just as some groups of consumers will be more severely affected by the cost of compliance, so too will our states. The allocation structure of a cap-and-trade bill must be designed to balance these burdens across states and regions and be sufficiently transparent to be understood.

**Protect America's Working Families:** Any legislation must recognize that working families are going to be affected most sig-

nificantly by any cap and trade legislation. Price relief for these families must be included in any federal cap and trade program. For instance, one way to provide some relief would be to provide additional allowances to utilities whose electricity prices are regulated, which would help to keep electricity prices low.

**Protect U.S. Manufacturing Jobs and Strengthen International Competitiveness:** The Lieberman-Warner bill contains a mechanism to protect U.S. manufacturers from international competitors that do not face the same carbon constraints. If this mechanism does not work, or is found to be non-compliant with the World Trade Organization, then the program needs to be modified or suspended. The final bill must include adequate safeguards to ensure a truly equitable and effective global effort that minimizes harm to the U.S. economy and protects American jobs. Furthermore, we must adequately help manufacturers transition to a low carbon economy to maintain domestic jobs and production.

**Fully Recognize Agriculture and Forestry's Role:** Agriculture and forestry are not regulated under the bill but they can contribute to reducing emissions by over 20% domestically. Furthermore, international deforestation contributes to 20% of global greenhouse gas emissions. Strong, aggressive and verifiable offset policies can fully utilize the capabilities of our farmers and forests. A strong offset policy can also reduce the costs of a cap and trade program while maintaining our strong environmental goals.

**Clarify Federal/State Authority:** Congress should adopt a mandatory federal cap-and-trade program that will be the single regulatory regime for controlling greenhouse gas emissions. Existing state laws and initiatives should be integrated into the federal cap-and-trade program where the policies do not conflict. Federal uniformity in this area should be made clear in the statutory language to prevent conflict in regulation, preserve overall efficiency, and ensure harmonization of regulations. Where a conflict exists, federal law needs to clearly prevail.

**Provide Accountability for Consumer Dollars:** The cap and trade program developed in the Lieberman-Warner bill has the potential to raise over \$7 trillion. Much of these funds will be indirectly paid for by consumers through increased energy prices. The federal government has a fundamental obligation to ensure these funds are being spent in a responsible and wise manner. The development of any cap and trade program must recognize the sensitivity of this obligation and eliminate all possibility of waste, fraud or abuse.

We look forward to working with you to ensure that any final bill will address the problems of climate change without imposing undue hardship on our states, key industrial sectors and consumers.

Sincerely,

Debbie Stabenow, John D. Rockefeller,  
Carl Levin, Blanche Lincoln, Mark  
Pryor, Jim Webb, Evan Bayh, Claire  
McCaskill, Sherrod Brown, Ben Nelson.

QUESTIONS OF SENATOR LEVIN TO SENATOR  
BOXER

Would you be able to provide answers to these questions prior to the cloture vote on the Boxer Substitute to S. 3036?

Relative to the pending substitute,

1. Does the substitute (or underlying bill) directly or indirectly establish or provide federal or state authority to set standards relative to greenhouse gas emissions from mobile sources?

2. Does the substitute (or underlying bill) provide authority for states or regions to establish their own cap and trade programs for greenhouse gas emissions?

Concerning the language in Senate Report 110-337 relative to Section 9003, Retention of State Authority, in S. 2191, as reported, which states in part, as follows: "The purpose of this section is to make it absolutely clear that this bill does not affect the validity of these state and local greenhouse gas emissions laws and regulations (and any related laws or regulations), so long as these laws require state and local reductions of greenhouse gas emissions at least as stringent as those required by federal law. There will be no express, implied, field, or conflict preemption of these regional, state, or local efforts."

3. Does this mean "There will be no express, implied, field, or conflict preemption of these regional, state, or local efforts" by this Act, referring to S. 2191, as reported?

The report language concludes, "In interpreting the scope of this savings clause, the courts should follow the applicable precedent that calls for a narrow reading of federal preemption of state and local authority and a broad reading of this savings clause."

4. Does this mean "federal preemption of state and local authority" by this Act, referring to S. 2191, as reported?

Finally, with respect to existing law,

5. Does this bill in any way amend, change, or modify the other statutes relating to the authority of the Federal and State governments to adopt vehicle emissions standards?

RESPONSE TO SENATOR CARL LEVIN'S JUNE 5,  
2008 QUESTIONS FROM SENATOR BARBARA  
BOXER

You have asked several questions about the Boxer-Lieberman-Warner substitute to S. 3036, the Climate Security Act. My response follows. Relative to the pending substitute:

1. Question: Does the substitute (or underlying bill) directly or indirectly establish or provide federal or state authority to set standards relative to greenhouse gas emissions from mobile sources? Answer: No.

2. Question: Does the substitute (or underlying bill) provide authority for states or regions to establish their own cap and trade programs for greenhouse gas emissions? Answer: No.

3. Question: [Concerning language in Senate Report 110-337 relative to Section 9003, Retention of State Authority, in S. 2191 as reported] Does this mean "There will be no express, implied, field, or conflict preemption of these state or local efforts" by this Act, referring to S. 2191, as reported? Answer: Yes.

4. Question: [Concerning report language regarding interpretation of the scope of the savings clause] Does this mean "federal preemption of state and local authority" by this Act, referring to S. 2191 as reported? Answer: Yes.

5. Question: Does this bill in any way amend, change, or modify the other statutes relating to the authority of the Federal and State governments to adopt vehicle emissions standards? Answer: No.

Mr. BINGAMAN. Mr. President, I rise to talk about the cloture vote on the climate change legislation pending before the Senate.

Global warming is a problem that we must address and the sooner the better. We must meet it with a strong and mandatory regulatory system. Of all the possible options, a cap-and-trade system makes the most sense. Turning that concept into legislative language is not easy, and turning it into legislative language that can become law is far harder still.

The substitute amendment before us is the product of a lot of hard work and passion to do the right thing. I applaud that and thank the sponsors for their sincere efforts. There are many ideas in this amendment that I support, but, as the sponsors know, I also have many concerns about the substance of their proposal. I am sorry that we will not have a chance to debate the many complex and far-reaching issues they present.

I have been in the Senate for 25 years. I have learned, and firmly believe, that the only way to write legislation that stands a good chance of becoming law is to ensure that all sides have a legitimate opportunity to comment on and contribute to legislation as it is being written. I know very well from my own experience that in bills as complicated as this one, many Senators will have concerns that they would like to see resolved. It is the prerogative of the authors to include these issues or not. But it is important to assure all Senators that their concerns have been carefully and openly considered and that even if the sponsors don't share those concerns, the right of Senators to have them considered by the full Senate will be protected. Without these assurances, it is much harder to ask Senators to support the final product and work for its passage. I hope that when we return to this issue, we can use such a process to produce a bill that will be signed into law.

I am especially disappointed by the tactics we have seen in recent days from the other side of the aisle to slow this bill's progress and frustrate the amendment process. While Senators certainly have the right to use all 30 hours of postcloture debate time following cloture on the motion to proceed and to make the Senate clerks spend 9 hours reading the text of a long substitute amendment, it is hard to square those actions with any sense of real concern about this critical issue we should be working on.

We will be turning to the Defense bill later this month. I have a hard time imagining that the same tactics will be applied. That would be totally inconsistent with our responsibilities for national security. Similarly, the tactics of the past few days have been totally inconsistent with our responsibility to deal seriously with this important issue.

I have struggled with this cloture vote. A vote for cloture can be seen as a message vote that rejects the tactical maneuvering we have seen to prevent consideration of this bill. At the same time, if cloture is invoked it will mean that only a tightly prescribed set of amendments would be in order. I do not believe that the problems in the legislation before us can be adequately corrected under postcloture procedural constraints. Ultimately, though, we must send a message about how important this issue is and how it should not be hamstrung by obstructionist parliamentary tactics. That is why I voted

for the cloture motion laid down by the majority leader.

Mr. PRYOR. Mr. President, the Climate Change Act of 2008 wisely recognizes that chemicals such as hydrofluorocarbons, HFCs, and hydrochlorofluorocarbons, HCFCs, are valuable commercial products that are used in refrigeration equipment, home and automobile air conditioners, aerosols, insulating foams, and other products and should be treated differently than other greenhouse gases. These important gases are essential to the energy efficient operation of many of the appliances and refrigeration equipment American consumers and businesses rely upon. Having a separate market for HFCs is designed to reduce emissions of these gases over time, while safeguarding the business model of the producers and users of these gases in energy efficient equipment and products.

The Montreal Protocol treaty has been widely praised as a model of international cooperation to phase out the production of many ozone depleting substances including Freon and other CFC-based gases. Accordingly, the industry substituted HFCs for these substances, but now these gases are thought to contribute to anthropogenic global warming. The Montreal Protocol currently calls for a complete phaseout of HCFCs by 2030, but does not place any restriction on HFCs.

The regulation of hydrofluorcarbon refrigerants represents a major component of the Climate Security Act of 2008, and will have a significant impact on jobs, taxpayers, businesses that manufacture and import these chemicals, and the millions of users of these chemicals in refrigeration and air conditioning equipment as well as other applications. The businesses in this industry sector have a commendable track record of protecting the environment, and are successfully making the transition from ozone-depleting refrigerants to HFCs. Now, as there is a call to phase down the production and consumption of HFCs to address global warming, we must recognize the need for a regulatory regime that reflects the industry's complex marketplace dynamics, cost to the economy, and ensures fair and equitable treatment for producers, importers, and end users.

It takes about 10 years for industry to develop a new class of refrigeration gases with the required thermodynamic properties, low flammability and toxicity, and reduced global warming potential than what is currently in use. At this time, there is no known commercially available replacement for HFCs. The gas providers and equipment manufacturers will have to invest a significant amount of time and money to develop these new, safe refrigeration gases and the compatible equipment that can use them.

I believe that we can come to a reasonable and balanced approach on this issue. The fact is that we need a realistic baseline. The baseline for 2012

should be set at an amount necessary to avoid a supply shortage, the cost of which will be borne by small businesses and consumers. One study suggests that 365 million metric tons is an appropriate baseline. Such a baseline will provide for a smoother transition in subsequent years, which also will result in less cost to small businesses and taxpayers without any adverse effect on the environment.

I encourage Congress, the EPA, the gas producers, and the end-use equipment manufacturers to work closely together to establish a more reasonable emission cap and timeline for the transition from HFCs to a cost-effective, low greenhouse gas potential, alternative substitute. Through cooperation, I am sure we can establish a program that will guarantee the future development of economically sound and environmentally friendly alternatives for these important chemicals.

Mr. FEINGOLD. Mr. President, it is disappointing that a minority of Senators has chosen to delay and stall rather than allowing us to consider the serious matter before the Senate—climate change. In order to have the opportunity to debate and vote on amendments, I support cloture on the Climate Security Act of 2008, S. 3036. The Climate Security Act is far from perfect, but it represents a serious effort to reduce greenhouse gas pollution, lessen our dependence on foreign oil, and spur new technologies and green job opportunities. By supporting cloture, we can begin to do the hard work of improving this legislation so that we can enact a workable, effective cap-and-trade program.

Mr. LEAHY. Mr. President, this week the Senate has undertaken the beginning of a historic debate on global warming. For the past week we have attempted to pass this important legislation that will reduce the carbon dioxide pollution that causes global warming, while using market incentives to create American jobs. Unfortunately it appears the other side of aisle has no interest in enacting this important global warming legislation. I am disappointed a minority in the Senate are blocking our efforts to move forward on this important bill.

The time for debate about the existence of global warming has ended. We are staring down the barrel of global crisis if we do not aggressively address this problem now, and not 5 years from now or when the oil companies decide the time is right.

The most recent assessment of global climate change published by the Intergovernmental Panel on Climate Change, IPCC, in November found that the Earth's climate indisputably has warmed over the past century. Most of this increase is very likely due to the increase in greenhouse gas concentrations created by humans—primarily from the use of fossil fuels. As we look around us every day and see all of the exhaust gases emanating from factories, buildings, and vehicles, it only

stands to reason that human activity now, and for much of the last century, increasingly has become a factor in the quality of the air we breathe and in the natural processes of our environment.

The U.S. Climate Change Science Program, CCSP, recently released the first of several climate change reports, and their assessment was stark. They report that even under the most optimistic carbon dioxide emission scenarios, we can expect a host of profound impacts that range from changes in sea level and regional and super-regional temperature hikes, to increased incidence of disturbances such as forest fires, insect outbreaks, severe storms, and drought.

If we do not take aggressive action now to curb emissions, our environmental and economic future is bleak. Even as we speak, our world is experiencing alarming and detrimental changes from manmade greenhouse gases. The Arctic Sea ice melted in 2007 to the smallest coverage since satellite measurements began in 1979—perhaps 50 percent below sea ice levels of the 1950s. The U.S. National Snow and Ice Data Center at the University of Colorado projects that the Arctic Ocean could be ice-free in summer as early as 2030.

As if to highlight the urgency, while the EPA was recently delaying a decision over whether to add polar bears to the threatened species list due to a decrease in their habitat, more than 160 square miles of arctic ice collapsed away from the Wilkins Ice Shelf. If we needed any clearer signal that now is the time to address this problem, the partial collapse of an arctic shelf formed more than 1500 years ago should leave no doubt.

How do we responsibly and aggressively address this problem? According to the Bush administration, we should talk about curbing global climate change on the one hand, while quietly eroding the safety net that had been designed to better protect our environment with the other.

We need only to look at the recent unprecedented intervention by this administration in the EPA's decision to override the institutional advice of the EPA's own experts—not to mention the Clean Air Act—and stop California, Vermont, and 15 other States from setting their own tailpipe emission standards. Even the release of CCSP research on climate change last week had to be mandated by court order—and during the course of this research, scientists left the CCSP alleging the administration was rewriting the science for political purposes.

Add to all of this the auctioning of environmentally sensitive public lands for oil development, the weakening of air quality regulations for corporate polluters, and the billions of dollars of handouts in the form of subsidies to oil companies at the expense of renewable energy, and it adds up to 8 years of an administration that cares more about corporate profits than the public's

health and our environment's protection.

This legislation is not a perfect solution, but its goals are positive and its solutions are constructive. The annual reductions in emissions, funding for renewable energy technologies, and a cap-and-trade system designed to reward companies that invest in cleaner energy are innovative solutions to a problem that won't just go away on its own.

Failure to address global warming is a failure to address weather catastrophes that can destroy entire Nations, a failure to address the loss of species that will never return, and a failure to pass along to future generations—our children, our grandchildren, and beyond—the kind of world we want for them.

Mr. DORGAN. Mr. President, the consensus among scientists, whose expertise I respect, is that there's something happening to the climate of this planet that we need to be concerned about. As a result, I believe that the Congress needs to enact climate change legislation to address global warming. It is one of the significant challenges of our time. Addressing the issue of climate change will require a national commitment of all the resources that are available to us to change course and protect our planet.

I voted no on the motion to invoke cloture today, but this should not be seen as a statement of my opposition to enact mandatory, climate change legislation in the future. The specific proposal that has been brought to the floor of the U.S. Congress by Senators BOXER, LIEBERMAN, WARNER, KERRY, and others is a legitimate and thoughtful piece of legislation.

The Senate has voted on climate change legislation in 2003, 2005, and now in 2008. In all three cases, many Members have expressed their opposition to any mandatory legislation. Yet, during this 5-year period, there has been a significant shift in public awareness, the certainty of the science, and the demand for legislative action. I hope that industry in this country will understand what we are required to do and start preparing for it.

When there is a new President and a new Congress in 2009, I predict that there will be another debate, and there will be passage of landmark U.S. climate change legislation. Major pieces of landmark legislation such as the Clean Air Act, the Clean Water Act, Superfund, and others took several Congresses to be refined and enacted. I believe that time for climate change legislation will be in the 111th Congress.

In order for our country to dramatically shift our energy use to a lower greenhouse gas emitting blend, a strong commitment from all sectors of the economy is needed. We need a "moon shot" approach to increasing energy efficiency and conservation, renewable energy production and technologies that allow us to capture and

sequester carbon emissions from fossil fuel energy generation.

I am a big fan of renewable energy, including wind, solar and geothermal energy as well as biofuels. In order for these energy sources to become a larger portion of the energy used in this country, however, we need to demonstrate a robust commitment to funding research and development to increase the efficiency of renewable energy and drive the costs down so they are competitive with fossil energy sources. Until they are cost-competitive, we need to provide long-term incentives that signal certainty to potential investors. Even as we strongly support our renewable energy research, development and deployment, we also need to understand that in order to meet our energy needs we will need to continue to use fossil fuels—but use them in a different way.

For example, we use coal to produce about 50 percent of the electricity we now use in this country. Coal is going to continue to be a significant part of our energy future, so that means we must make a major research push to find ways to capture the carbon and sequester the carbon.

The climate change bill that is now on the floor includes what is called "kick start" funding and "bonus" funding that its authors say addresses the needs of the industry to get carbon capture and storage. However, the bill does not provide any funding for the substantial research and development that will be necessary to find ways to capture the carbon and safely sequester it.

Similarly, advancing renewable energy will require substantial funding, of which there is not enough in the underlying bill. There is money in the underlying bill for demonstration and commercialization of technologies, both in the renewable area and carbon capture and storage. But there is not the kind of funding that will be necessary to fund the research and development at the front end of the process for both carbon capture and renewables.

I prepared and filed amendments to address those two deficiencies. Together, my amendments would add \$30 billion in the first 12 years to carbon capture and storage and renewable energy. The amendments provide a full commitment by our country to fund the necessary research and provide the opportunity to succeed in both areas on the front end. We will not succeed in our quest to address global warming unless we invest in these areas of research. The product of research for the environmentally safe use of coal and the expanded use of renewables is what will allow us to meet the targets in the global warming bill.

Today, however, we find a tangled procedure in the United States Senate by which we are asked to vote to shut off debate and vote cloture on the Boxer substitute. This means that my amendment and others designed to improve the bill will not be allowed to

even be offered. That is because the minority blocked the process when the bill came to the floor, so no amendments have been allowed to be offered. Therefore, none are pending, and post cloture, only pending amendments can be voted upon.

In short, voting for cloture means I would be voting to deny myself the opportunity to offer the important amendments I have just described. I am not prepared to do that. I am prepared to seriously address global warming. I will count myself as someone who is going to vote to advance appropriate legislation to address global warming. But I am not going to vote this morning to prevent myself from offering the amendments that I think are necessary to make this legislation work.

Let me state again, I think my colleagues that have brought the Warner-Lieberman-Boxer bill to the floor today have done some good work, and I am appreciative of their effort. The bill in its current state is not ready to become the law of the land. We need to have a serious debate about this legislation, amendments need to be considered, the bill needs to be modified in significant ways before it should be passed by this Congress.

Let me repeat, a piece of legislation that will have some of the most significant consequences for the environment, for the economy, and for a way of life than anything we have done in many decades in this Congress has been brought to the floor and will now be subject to a cloture vote without any opportunity to offer an amendment. That is not a process that I can support.

Mrs. FEINSTEIN. Mr. President, I rise to speak in support of amendment No. 4950, which I have offered to the Climate Security Act, S. 3036, along with Senators SNOWE, WYDEN, and CANTWELL.

This amendment is intended to improve section 412, the market oversight and enforcement provisions. I helped author section 412 of the Climate Security Act with Senator DODD and Senator WHITEHOUSE, and I believe this amendment will improve the underlying provision by even more clearly prohibiting speculation, fraud, and false reporting by traders in carbon markets.

Specifically, this amendment would add a "prohibitions" subsection to section 412, to establish that it is illegal:

No. 1, to knowingly provide to the President, or his designee, any false information relating to the price or quantity of emission allowances sold, purchased, transferred, banked, or borrowed by the individual or entity, with the intent to fraudulently affect the data being compiled;

No. 2, to use in connection with the purchase or sale of an emission allowance any manipulative or deceptive device or contrivance—within the meaning of section 10(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78j(b))—or;

No. 3, to otherwise cheat or defraud another market participant.

Including these prohibitions, which were part of the Emission Allowance

Market Transparency Act that I introduced with Senator SNOWE, clearly establishes the legal framework under which market manipulation in these markets will be pursued. But unlike our legislation, the amendment does not instruct the Environmental Protection Agency to enforce these prohibitions. Instead, the amendment instructs the President to decide which agency must conduct enforcement within 270 days of enactment.

I believe this amendment is necessary because it will establish that the full legal history of the Securities Exchange Act's antimanipulation provision forms the foundation upon which the carbon market's principles-based regulation must stand. It gives guidance to future regulators on the intent and meaning of the core principle that "the market shall be designed to prevent fraud and manipulation." And it adds teeth to that principle by making manipulation and fraud in this market a defined crime subject to severe penalty.

With this amendment, authority to prevent fraud and manipulation in carbon markets will mirror the authority over natural gas and electricity markets that Congress granted to the Federal Energy Regulatory Commission in 2005, as well as the authority over crude oil that Congress granted to the Federal Trade Commission in 2007. By mirroring proven market oversight mechanisms that protect market participants and consumers, this amendment allows us to slip already broken-in regulatory concepts onto a new market.

I believe this amendment will strongly discourage traders from seeking to manipulate the market. If we don't set up a framework for oversight, the greenhouse gas market could turn into a Wild West. The market—estimated to be worth as much as \$100 billion annually—would invite the worst kind of manipulation, fraud, and abuse. The resulting volatility would affect consumer energy costs.

This is not a hypothetical. In 2000 and 2001, newly created California energy markets lacked the basic protections in this bill. The electricity and related natural gas markets emerged before the law caught up, and much of the manipulation that resulted, shockingly, was legal.

Enron, for instance, ran a market where only they knew the prices. Without market transparency laws, this one-sided market was legal. Enron manipulated natural gas and electricity prices—but nothing in the Natural Gas Act or the Federal Power Act made this manipulation unlawful.

Only years later, after millions of consumers had been harmed, after billions of dollars had been lost, and after the entire West had endured an energy crisis largely fabricated by traders, did Congress act.

In 2005, Congress succeeded in prohibiting manipulation in natural gas and electricity markets. The Federal En-

ergy Regulatory Commission has put this authority to good use. It has performed aggressive natural gas market oversight, and has brought its first manipulation case, against Amaranth—a notorious hedge fund that allegedly manipulated natural gas prices month after month.

This Nation needs to reduce greenhouse gas emissions, and most economists agree that a cap-and-trade system with a greenhouse gas market would be the most cost efficient way to guarantee emissions reductions.

Economists also tell us that markets are most efficient when buyers and sellers have complete information, no market participant can cheat another, and prices result from supply and demand, not manipulation.

Bottom line: this amendment improves a provision designed to protect the integrity of greenhouse gas emissions markets, and it should be included as part of any cap-and-trade legislation approved by Congress.

FURTHER CHANGES TO S. CON. RES. 21

Mr. CONRAD. Mr. President, pursuant to section 308(a) of S. Con. Res. 21, the 2008 budget resolution, I previously filed revisions to S. Con. Res. 21, the 2008 budget resolution. Those revisions were made for Senate amendment 4825, a complete substitute for S. 3036, the Lieberman-Warner Climate Security Act of 2008.

The Senate did not adopt Senate amendment 4825. As a consequence, I am further revising the 2008 budget resolution and reversing the adjustments made pursuant to section 308(a) to the aggregates and the allocation provided to the Senate Environment and Public Works Committee for Senate amendment 4825.

Mr. President, this will be the final revision to the 2008 budget resolution. This week, Congress passed S. Con. Res. 70, the 2009 budget resolution. The 2009 budget resolution now replaces the 2008 budget resolution for purposes of budget enforcement in the Senate.

I ask unanimous consent to have the following revisions to S. Con. Res. 21 printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2008—S. CON. RES. 21; FURTHER REVISIONS TO THE CONFERENCE AGREEMENT PURSUANT TO SECTION 308(A) DEFICIT-NEUTRAL RESERVE FUND FOR ENERGY LEGISLATION

(In billions of dollars)

Section 101	
(1)(A) Federal Revenues:	
FY 2007 .....	1,900.340
FY 2008 .....	2,016.793
FY 2009 .....	2,114.754
FY 2010 .....	2,170.343
FY 2011 .....	2,351.046
FY 2012 .....	2,493.878
(1)(B) Change in Federal Revenues:	
FY 2007 .....	-4.366
FY 2008 .....	-34.003
FY 2009 .....	7.826

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2008—S. CON. RES. 21; FURTHER REVISIONS TO THE CONFERENCE AGREEMENT PURSUANT TO SECTION 308(a) DEFICIT-NEUTRAL RESERVE FUND FOR ENERGY LEGISLATION—Continued

(In billions of dollars)

FY 2010 .....	6,622
FY 2011 .....	-43,504
FY 2012 .....	-103,218
(2) New Budget Authority:	
FY 2007 .....	2,371,470
FY 2008 .....	2,501,726
FY 2009 .....	2,520,890
FY 2010 .....	2,573,040
FY 2011 .....	2,688,764
FY 2012 .....	2,720,897
(3) Budget Outlays:	
FY 2007 .....	2,294,862
FY 2008 .....	2,473,063
FY 2009 .....	2,569,024
FY 2010 .....	2,601,423
FY 2011 .....	2,695,166
FY 2012 .....	2,702,695

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2008—S. CON. RES. 21; FURTHER REVISIONS TO THE CONFERENCE AGREEMENT PURSUANT TO SECTION 308(a) DEFICIT-NEUTRAL RESERVE FUND FOR ENERGY LEGISLATION

(In millions of dollars)

Current Allocation to Senate Environment and Public Works Committee:	
FY 2007 Budget Authority .....	42,426
FY 2007 Outlays .....	1,687
FY 2008 Budget Authority .....	43,535
FY 2008 Outlays .....	1,753
FY 2008–2012 Budget Authority .....	316,183
FY 2008–2012 Outlays .....	124,070
Adjustments:	
FY 2007 Budget Authority .....	0
FY 2007 Outlays .....	0
FY 2008 Budget Authority .....	0
FY 2008 Outlays .....	0
FY 2008–2012 Budget Authority .....	-134,696
FY 2008–2012 Outlays .....	-114,402
Revised Allocation to Senate Environment and Public Works Committee:	
FY 2007 Budget Authority .....	42,426
FY 2007 Outlays .....	1,687
FY 2008 Budget Authority .....	43,535
FY 2008 Outlays .....	1,753
FY 2008–2012 Budget Authority .....	181,487
FY 2008–2012 Outlays .....	9,668

Ms. CANTWELL. Mr. President, I rise today to share my views on the preeminent environmental challenge facing our generation—climate change. I believe we must urgently address this looming issue—in partnership with the rest of the world—and I commend the bill's authors for finally getting this dialogue started after years of White House and congressional inaction.

Scientists have determined conclusively that an ongoing buildup of greenhouse gas emissions is causing the Earth's climate to warm and will likely lead to drought, flooding, and other catastrophic natural disasters.

The most recent United Nations Intergovernmental Panel on Climate Change report found that about 1 billion people will be affected by water shortages because of declining snow cover on land currently used by one-sixth of the world's population.

The report also predicts global warming will parch large swaths of the Earth, threatening the existence of up to 30 percent of its animals and plants.

Global warming's impact on the Pacific Northwest could be particularly harmful because our temperatures are rising faster than the global average.

In Washington, climate change is expected to alter the region's historic water cycle, threatening drinking water supplies, wildlife and salmon habitat, and the availability of emissions-free hydropower. We are also already seeing the ominous beginning of ocean acidification off our coastline.

According to a University of Washington analysis, temperatures in the Puget Sound region will rise about 2 degrees by 2050. Cascade mountain temperatures could rise 10 degrees or more, causing snowpacks to be reduced to just 20 percent of their current levels by 2090.

In the eastern half of my State, temperatures are expected to rise even faster. By 2050, parts of the Columbia Basin could be up to 5 degrees hotter. In 2090, much of the basin will be up to 8 degrees warmer, very harmful to eastern Washington agriculture.

There has been a great deal of discussion of what the accumulation of greenhouse gases such as carbon dioxide is doing to change the Earth's atmosphere. I am very concerned about that. But today I would like to help my colleagues appreciate carbon dioxide is also slowly, silently, but surely devastating our oceans and the marine life that depend on them.

I would like to share with you the silent devastation of ocean acidification.

Since the start of the Industrial Revolution 130 years ago, humans have released more than 1.5 trillion tons of carbon dioxide into the atmosphere, increasing the global atmospheric carbon dioxide concentration by 35 percent. But while carbon dioxide is accumulating in our atmosphere, it is also being rapidly absorbed by our oceans. At least one-third of our carbon dioxide emissions end up in the oceans—more than half a trillion tons since the start of the Industrial Revolution.

For decades, we assumed that the oceans absorbed these greenhouse gases to the benefit of our atmosphere, with no side-effect for the seas.

Science now shows that we were wrong. Today, ocean acidification is actually changing the very chemistry of the oceans. As carbon dioxide is absorbed, seawater becomes more acidic and begins to withhold the basic chemical building blocks needed by many marine organisms.

According to National Ocean and Atmospheric Administration scientists, humans have increased the oceans' acidity by 30 percent since the start of the Industrial Revolution. In such acidic waters, coral reefs—the rainforests of the sea—cannot build their skeletons. In colder waters like the waters of Washington State, scientists predict a more acidic ocean could dissolve the shells of the tiny organisms that make up the base of the ocean's food chain.

A recent article in last month's journal *Science* detailed how acidic seawater is already moving closer to shallow waters off of Washington State, the habitat for most of my State's marine life.

These frightening findings were a surprise to researchers who didn't expect finding acidic water for several more decades. Because ocean acidification has the capacity to lead to a total collapse of ocean food chains, it will have major impacts on coastal communities that rely on the ocean's bounty.

And when we add ocean acidification to the effects of carbon dioxide coming from a warming atmosphere—increasing ocean temperatures, changing winds and currents, and rising sea levels, it is clear that our carbon emissions will impact our ocean environments in ways far too devastating to ignore.

Not many people think of orca whales, salmon, coral reefs, or oysters when they drive their cars to work each day, but as ocean acidification begins to take its toll, there is definitely a connection between the carbon emissions we emit and the ocean environments we enjoy and depend on.

Last week, I held a Commerce Committee field hearing in Seattle to examine how climate change and ocean acidification are impacting the marine environments of my State. What I heard from my constituents was nothing short of frightening.

Brett Bishop, a fifth-generation shellfish farmer in Mason County, WA, told me how his business is being devastated by the impacts of climate change and ocean acidification. His story can be summed up by two words he said to me: "I'm scared."

Climate change is killing his business, and threatens to destroy everything his family has worked for over the past 150 years. If things continue on their current path and Mr. Bishop can't grow his shellfish, then the bank will foreclose on the mortgage, his 27 employees will be left jobless, and his family will lose their farm, their homes, and generations of hard work.

This is not some obscure scientific theory pieced together by academic scientists. This is real, and it is happening now. Today it is shellfish farmers in Mason County, WA, but who will fall victim tomorrow? Commercial fishermen? Coastal tourism from dead coral reefs? Recreational fisheries?

These are frightening possibilities—but very real ones that our Nation will face in the coming years. And unfortunately, if we don't act, Brett Bishop will be one of the millions of Americans with similar stories. And, unfortunately, these dangers are largely under the radar because they occur beneath the surface of the ocean.

That is why one of the amendments to the Climate Security Act I am pleased to be part of includes a bill I introduced with Senator LAUTENBERG of New Jersey called the Federal Ocean Acidification Research and Monitoring Act. Our bill, which passed the Senate Commerce Committee unanimously last December, would establish a much-needed Federal research program on ocean acidification.

This amendment also incorporates my Climate Change Adaptation Act

which was also approved unanimously by the Senate Commerce Committee. This important legislation ensures that our Government plans for the changes that global warming will inevitably bring. Because the reality is that even if we were somehow able to stop using fossil fuels today, a certain degree of warming and ocean acidification will still occur over the next two or three decades. Planning for the future isn't just common sense—it is responsible Government.

That brings me back to the Climate Security Act the Senate is debating today. This is the first comprehensive effort to legislate on climate change that has come through the committee process. It is a historic feat, and in many ways it reflects the complexity of this issue and the varied views and stakeholder interests that accompany any effort to cap and trade climate change emissions.

I commend Senators BOXER, LIEBERMAN, and WARNER for their leadership in beginning this process and starting us on the path we know we must take soon. As Sun Tzu said in the "Art of War," "the journey of a thousand miles begins with a single step."

Unfortunately, it looks like our debate may end up being largely confined to floor statements because opponents of the bill will succeed in blocking the consideration of any amendments. The minority even forced our hard-working Senate clerks to read the entire text of the bill, word for word, for almost 9 hours on Wednesday. Unfortunately, that is about as fitting an example of how opponents want to stall, delay, and preserve the status quo as one can imagine.

While I do believe we must act urgently and decisively to control our Nation's and planet's greenhouse gas emissions, I do have a number of concerns about the pending legislation.

Ironically, many of my concerns stem from the fact that Washington State is blessed with abundant, affordable, and emissions-free hydropower. Unfortunately, this bill fails to recognize that Washington State has significantly lower carbon dioxide emissions than other parts of the country and how that dynamic poses unique energy challenges going forward.

Some of these challenges are that Washington's hydropower system is largely tapped out, so any future electricity generation will largely come from relatively more polluting sources for which we will not receive any emission allocations under the pending legislation. Similarly, the bill does not provide Washington with any allocations we will need to provide electricity to the 1.5 million people moving to the Puget Sound region by 2020, unlike other parts of the country that rely primarily on fossil fuel generation.

As currently drafted, the bill also effectively penalizes the Pacific Northwest for its years of aggressive energy efficiency measures, which have avoid-

ed the construction of 3,400 megawatts of additional capacity. In other words, if we would have built fossil fuel plants instead of conserving, we would be getting emission allocations for it today. In addition, since we have already taken advantage of many of the low-hanging efficiency "fruit," additional efficiency savings would be relatively more costly than in other parts of the country.

I also believe the legislation needs to more carefully consider how Federal climate legislation might preempt or overturn the groundbreaking efforts in Washington State, such as the Western Climate Initiative.

As a scarred veteran of the Western energy crisis, I also have strong concerns that there are not enough safeguards in the bill to prevent excessive speculation and manipulation of emission allocation trading markets. Even today we see what happens when there is not enough transparency and clear rules of conduct in energy markets. Excessive speculation and possibly market manipulation artificially elevate prices and hurt consumers.

And finally, we need to make sure that anything we do is actually going to do the job. Unfortunately, I understand that the emission-reduction caps proposed by this legislation are actually not strong enough to slow or stop global warming according to the latest science.

While I am disappointed that there probably won't be an opportunity to improve the historic legislation before us today, I am proud that after Congress came under new management last year we were able to craft and pass the greenest, most important energy bill in our Nation's history.

The Energy Independence and Security Act, which became law last December, will create cleaner, more diverse sources of energy supply, build new growth industries that support high-wage "green-collar" jobs, give consumers and businesses more affordable energy choices, and protect our environment. For instance, this landmark energy legislation aggressively boosts energy efficiency efforts by making our lighting and appliances more efficient and reducing the Federal Government's energy use.

Under the new law, fuel economy standards will increase for the first time in over two decades to a nationwide average of 35 miles per gallon, up from 25 miles per gallon today, by 2020 for all vehicles, including SUV's and light trucks. By 2030, these measures will displace the equivalent of one-third of our foreign oil needs and save American consumers at least half a trillion dollars in energy costs.

And the new energy law includes mandates and incentives that biofuels from nonfood feedstocks such as agriculture and wood waste become a much more significant part of our Nation's effort to end our dependence on fossil fuels and imported oil.

All together, these measures and others will reduce our Nation's carbon di-

oxide emissions by the same amount as all of our vehicles on the road produce today.

I think it is important to note that while tackling climate change will not be easy or free, moving to a clean energy system, which is a prerequisite to any serious effort to reduced greenhouse gases, has many benefits beyond reducing greenhouse gases and the costs of inaction will be far more significant.

According to a study by the Natural Resources Defense Council and Tufts University, if the United States doesn't do something soon to dramatically reduce greenhouse gas emissions, it could cost the country \$3.8 trillion annually from higher energy and water costs, real estate losses from hurricanes, rising sea levels, and other problems.

According to the Apollo Alliance, a labor-environmental partnership, investing \$30 billion per year over 10 years would create 3.3 million jobs and boost the Nation's GDP by \$1.4 trillion. The Apollo Alliance estimates that dollars invested in clean energy create more jobs than those invested in traditional energy sources because renewable energy is more labor intensive. It is possible for a Nation to grow while being environmentally conscious. For example, the British economy grew by about 40 percent since 1990 while their greenhouse gas emissions decreased by 14 percent.

The science is undeniable that human activities are changing the world we know and love and depend on for our well being. We are already seeing the effects on our oceans, our forests, our crops, and our wildlife—and unless we act, I am afraid the worst is yet to come.

We will only succeed in combating climate change if we work together, across the aisle here in Congress, across our States with their very different greenhouse gas profiles, and across the world. By working together we can find a path forward to solve this greatest of challenges. And if we do it right, the solutions we create will also help address other pressing needs such as providing more clean and renewable energy sources, high-wage manufacturing jobs, and new export markets.

Our Nation and the world is waiting for us to take action—and the lead in preventing and mitigating the catastrophic effects of global climate change. Our children and their children and all of the world's citizens' future depends on it. I look forward to continuing this dialog with my friends on both sides of the aisle.

The ACTING PRESIDENT pro tempore. The Senator from Georgia is recognized.

Mr. CHAMBLISS. Mr. President, I ask unanimous consent to speak as in morning business for up to 5 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. REID. I object.

The ACTING PRESIDENT pro tempore. Objection is heard.