

3. CLIMATE: GOP strategy for House markup includes 200+ amendments and no cap and trade (05/14/2009)

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House Republicans are planning an amendment onslaught during next week's Energy and Commerce Committee markup of energy and climate change legislation.

Top GOP members said they have more than 200 amendments ready to offer that would make substantive changes to the Democratic plan, as well as a comprehensive alternative that focuses heavily on increasing domestic energy production.

"We're not going to try to kill the bill," Rep. Joe Barton (R-Texas), the ranking member of the Energy and Commerce Committee, told reporters yesterday. "We're going to try to make sure that if they report a bill, it's going to be a good bill."

Barton said he will start by offering an "all of the above" amendment that would increase domestic production of all energy supplies regardless of whether they are conventional fossil fuels or renewables. Republicans plan today to unveil the full details of their legislative alternative.

At the markup, the Republicans also expect to take direct aim at the Democrats' cap-and-trade program that establishes firm limits on greenhouse gas emissions. Barton, a skeptic on the science linking man-made emissions to global warming, predicted the climate language will not make it across the finish line.

"Cap and trade is dead," Barton said. "It's just dead. They've got to get the coroner to conduct the autopsy and make it official. They are dreaming if they think they're going to get a cap-and-trade bill through the Congress and to the president's desk. I don't think they can get it out of committee."

As an alternative, Barton has said he would try to address climate change through mandatory performance standards for new electric utilities, allowing them to release a set amount of carbon dioxide based on energy output. If companies beat the limits, they would then get to accelerate the depreciation from the new plant and any equipment put into the plant.

Barton's proposal would include financial penalties for noncompliance, and also would strip U.S. EPA of its ability to regulate for greenhouse gases under the April 2007 Supreme Court decision in *Massachusetts v. EPA*.

Rep. Fred Upton (R-Mich.), ranking member of the Energy and Environment Subcommittee, said Tuesday that he was not sure if all the GOP's amendments would be offered during the markup.

Upton also explained that Republicans would consider the same amendment strategy should House Democrats follow through on their plan to push the legislation to passage on the floor. "There'll be lots of opportunities to fix the bill," Upton said. "And if they fail, we'll take those same opportunities on the floor when it gets there."

Without going too deep into detail, Barton yesterday also acknowledged that he would be a stickler when it comes to following the House committee's rules during the markup. For instance, Barton would not rule out forcing Energy and Commerce Chairman Henry Waxman (D-Calif.) to read aloud the entire bill, which in draft form numbered nearly 650 pages.

"I'm prepared to use all the rules at the disposal of every member of the committee if it benefits my position on the policy under consideration," Barton said.

During Senate debate over a cap-and-trade bill last summer, Sen. James Inhofe (R-Okla.) forced clerks to read the entire measure, stalling Senate business for at least 8 hours.

Energy and Commerce Committee Democrats working on the climate legislation said they were skeptical about any GOP alternatives when none of their members have crossed the aisle to negotiate on the at-issue bill.

"It is disappointing for me to see them so far operating in lockstep on this issue," said Rep. Tammy Baldwin (D-Wis.). "I still would hope that could change, but I'm not holding my breath."

"The Republicans don't want a bill," added Rep. Charles Gonzalez (D-Texas). "That's the bottom line."

Waxman said he is gearing up for a full week of debate starting Monday with opening statements. "We're setting aside next week to

do the markup, however long it will take," he said.

There is little doubt the GOP brings philosophical differences to the energy and climate debate compared with their Democratic counterparts. Republicans see political red meat and have labeled the Democratic proposal "cap and tax" and a "light switch tax." Rep. John Shimkus (R-III.) said at a recent committee hearing that House Democrats from districts that rely on coal would pay an electoral price at the polls in 2010 if they support the cap-and-trade provisions.

On the committee, Rep. Mary Bono Mack is the only Republican to say she is open to supporting the Democrats' bill, though Barton said last week that he expects the congresswoman from Palm Springs, Calif., to vote with the GOP should Waxman try to pass the legislation.

"This is not just a run of the mill reauthorization bill, or an idea who's time has come," Barton said. "This is the most fundamental attack on free market capitalism in our lifetime."

Other GOP alternatives

Confident that a cap-and-trade climate bill will falter in Congress, Rep. Bob Inglis (R-S.C.), ranking member of the House Science and Technology Subcommittee on Energy and Environment, introduced a <u>bill</u> yesterday that would tax carbon emissions by the ton and use the revenue to lower payroll taxes for employers and employees.

"I anticipate the cap and trade having significant trouble as it goes forward and so we want to be positioned as the alternative to cap and trade," Inglis said. He began floating the draft legislation in March to garner support before making a formal introduction (<u>*E&E*</u> <u>*Daily*</u>, March 19).

Inglis' proposal would tax carbon at \$15 per metric ton of carbon beginning in 2010, and the tax would escalate to \$100 by 2040, adjusting each year for inflation. The revenue would be used to lower payroll taxes for employers and employees by more than 10 percent in the first year and would boost Social Security benefits to assist seniors paying rising energy bills.

Republican Reps. Jeff Flake of Arizona and Daniel Lipinski of Illinois have signed on as co-sponsors to the bill.

Ingliss said the Waxman bill is "a massive tax increase in the midst of a recession," adding that it would likely hurt U.S. economies attempting to compete in a global economy because it lacks a World Trade Organization-border adjustment. He said his legislation was not a tax increase, but rather, a "revenue-neutral tax swap."

Meanwhile, Rep. Rob Bishop (R-Utah), chairman of the Congressional Western Caucus, is floating the "American Energy Innovation Act," another energy bill framed as an alternative to the Democrats' cap-and-trade approach.

"This legislation was offered as a competing vision for America's energy future," said Melissa Subbotin, a spokeswoman for Bishop and the caucus. "Americans should know that there are alternatives out there to cap and trade."

H.R. 2300 seeks to ramp up production of all forms of energy, Subbotin said. "We do utilize some fossil fuels," she said. "In addition to that, a significant portion of this legislation emphasizes the use of clean nuclear energy as well as biomass, hydropower and wind."

Bishop is the lead sponsor of the bill introduced last week by the Western Caucus and the Republican Study Committee. The bill has 42 Republican co-sponsors, Subbotin said.

The legislation would incentivize the development of solar, wind, nuclear, hydropower and biomass technologies and establish a \$10 billion prize to develop a prototype of a low-emission vehicle that can travel safely with a fuel economy of 100 miles. It would also block EPA from crafting carbon dioxide regulations, establish a tax credit for investment in coal-to-liquid fuels projects and open the outer continental shelf to increased production.

Click here to read Inglis' carbon tax bill.

Click here to read Bishop's energy bill.

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