

The Hill

Waxman-Markey Measure Portends Devastating Results

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By Rep. Frank Lucas

On a recent stop in Illinois to explain the Department of Agriculture's role in rural America, Agriculture Secretary Tom Vilsack told a group of 200 that when it comes to a cap-and-trade program "we ought not to be fearful of this future. We ought to embrace it."

Perhaps Secretary Vilsack is reading a different piece of legislation than the Waxman-Markey climate change and national energy bill (H.R. 2454) that passed in the House Energy and Commerce Committee on May 22. Because even with slight modifications to the bill during the Energy and Commerce Committee's markup, it still presents a grim future that will have a devastating economic impact on those living and working throughout rural America.

The cap-and-trade part of this bill will essentially create a national energy tax, and it will do more harm to production agriculture, American industry, and our standard of living than it will do any good for the environment. A national energy tax will impact all of us. If you like being warm in the winter, you are going to be affected. If you like being cool in the summer, you are going to be affected. If you own a farm, if you like to eat, if you run a small business or work in one, you are going to be affected. If you want to go anywhere, this bill will affect you.

From higher energy costs to lost jobs to higher food prices, cap-and-trade promises to cap our incomes, our livelihoods, and our standard of living, while it trades away American jobs and opportunities. For this reason, as this bill stands now, I cannot embrace it. I am not alone. So far, 34 agriculture groups including the American Farm Bureau Federation, American Farmers and Ranchers, National Corn Growers Association, National Chicken Council, and National Turkey Federation have sent letters to members of Congress encouraging them to oppose the Waxman-Markey bill. Meanwhile, no large farm groups have endorsed it.

These groups realize that agriculture is a prime target for a national energy tax because it is an energy-intensive industry. Whether it's the fuel in the tractor, the fertilizer for the crops or the delivery of food to the grocery store, agriculture uses a great deal of energy throughout production. On average, 65 percent of farmers' variable input costs are fuel, electricity, fertilizer, and chemicals. Even a small increase in the operating costs for our producers will hurt American agriculture.

Estimates vary, but experts predict that under this national energy tax, energy prices will increase anywhere between 15 percent and 125 percent. Additionally, as these higher energy prices ripple throughout the economy, producers will pay more for seed, equipment, machinery, steel and other supplies needed for their agriculture operations.

Ultimately, higher costs will be passed onto consumers with higher food prices. People will pay more for food, or be forced to buy less to meet household budgets.

Although agriculture will be significantly impacted by this legislation, this bill largely ignores our farmers and ranchers. The bill is more than 1,100 pages long and mentions “agriculture” only seven times. Even then, it does not specifically recognize the role agriculture can play in providing carbon offsets, and it does not provide a meaningful way for farmers to participate in carbon credit programs.

People living in rural communities will be hit the hardest because they have different lifestyles and challenges than those living in urban communities. They must travel farther for routine errands — 25 percent more miles than urban households, according to the most recent Federal Highway data. And, rural households spend 58 percent more on fuel than urban residents as a percentage of their income.

Power providers in rural America face a unique challenge of providing affordable electricity to larger, less densely populated areas. Rural electric cooperatives serve 40 million Americans averaging around seven consumers per mile, while other utilities average 35 customers per mile.

Although the Waxman-Markey bill passed out of the Energy and Commerce Committee, eight other committees, including Agriculture, must consider the bill before it makes it to the House floor. This is one of the most significant pieces of legislation that this Congress will consider. It will have a monumental impact on our economy. We must take time to fully understand this impact because it will be far-reaching and felt for generations to come.

Finally, we must not forget that our farmers and ranchers are the original stewards of the earth, and they already find new and innovative ways to reduce energy usage, reduce emissions and sequester carbon. A real solution to climate change should not involve damaging an industry that consistently provides America and the world with an abundant and affordable food and fiber supply.