

Roll Call: Look Closer at Global Warming 'Solutions'

Ryan Cassin, 12.03.2007

By Sen. James Inhofe
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Just in time for the United Nations Climate Change Conference, the chairman of the Senate Environment and Public Works Committee has scheduled a business meeting to consider legislation that seeks to impose mandatory global warming "solutions" on the American people. The global warming cap-and-trade bill (S. 2191) introduced by Sens. Joe Lieberman (ID-Conn.) and John Warner (R-Va.) seeks to regulate carbon dioxide by creating a whole new federal bureaucracy. In moving the bill out of committee, supporters of the bill are anxious for a symbolic "victory" just in time for their U.N. trip to Bali.

There is a better way for Congress to legislate. The American people deserve an open and honest debate on the merits of any proposed climate change legislation, especially considering that mandatory carbon cap-and-trade legislation will impose the largest tax increase ever in the U.S. without any measurable climate benefits. Consideration of the Lieberman-Warner bill, The Wall Street Journal reported in a Nov. 5 article, comes at a time when a "winter-heating crisis looms."

The consequences of higher fuel bills for poor Americans can be devastating. High energy bills were cited as one of the two main reasons for homelessness, according to a 2006 survey of Colorado homeless families with children. Because of the significant economic harm imposed on our country by this bill, I joined Sens. George Voinovich (R-Ohio) and John Barrasso (R-Wyo.) in requesting a full economic analysis by the Environmental Protection Agency and the Energy Information Administration before we proceed to a vote. Not knowing the extent of the economic damage resulting from this bill before we vote would be irresponsible.

Growing Number Speaking Out Against Lieberman-Warner

An Oct. 29 article in The Politico noted that the "climate bill faces wave of opposition" and is "headed for a bumpy ride." A Nov. 19 Bloomberg News article called efforts to promote the bill a "vain pursuit" and weighed in with a breakdown of the growing "resistance" the bill faces.

Duke Energy Corp. Chairman Jim Rogers has warned that the bill will cause a "customer revolt" due to a rise in electricity bills by as much as 53 percent in 2012, according to the Bloomberg News article. Additionally, the widely respected, nonpartisan Charles River Associates issued a Nov. 8 analysis of the bill, revealing it will cost \$4 trillion to \$6 trillion in welfare costs over 40 years and up to \$1 trillion per

year by 2050. Even the co-author of the bill, Lieberman, conceded on Nov. 1 that his bill would cost "hundreds of billions of dollars." The American Council for Capital Formation's analysis on Nov. 8 found the bill will lead "to higher energy prices, lost jobs and reduced [gross domestic product]."

The AFL-CIO "says the bill would cost jobs by giving a competitive advantage to foreign companies that aren't subject to similar restrictions," according to the recent Bloomberg News article. The U.S. Chamber of Commerce said the bill "does not adequately preserve American jobs and the domestic economy." It is correct. Why should we send American jobs to China when they build a new coal plant every three days and will ramp up production even further? Moreover, U.S. plants are more efficient than China's plants, so this bill could cause net global emissions to increase, not decrease.

Recent analysis from the EIA of a less stringent cap-and-trade bill shows energy costs for consumers and employers will be even more expensive — and burdens on hardworking Americans, the elderly and the poor will be even more severe — if Congress adopts carbon mandates but fails to enact policies to increase domestic energy supplies.

This finding proves what I always have feared: Imposing limits on carbon emissions without new sources of low-emission energy will result in a crushing financial blow to Americans everywhere, especially to the poor. Yet, in hearing after hearing, it has become clear that the environmental community plans to erect barriers to new nuclear power and increased natural gas supply — which would be essential in meeting our energy needs in an emissions-constrained world. It's the classic bait-and-switch. But the EIA study reveals how costly it will be if we fall prey to that trap.

The fact is the word "nuclear" does not appear anywhere in the bill. Without nuclear energy, however, there is no chance of achieving the objectives espoused in this bill. The EIA analysis of the less-stringent bill included a "No Nuclear" scenario that showed electricity prices increasing by 8 percent and, importantly, carbon emissions increasing 3 percent.

This inconvenient fact has led at least one supporter of cap-and-trade legislation not to support the bill. Sen. John McCain (R-Ariz.) stated earlier this year he will not support the bill because it does not incorporate nuclear energy. Sen. McCain correctly noted that the U.S. can't effectively reduce emissions without an expansion of nuclear energy.

Failure of Carbon Cap-and-Trade

Cap-and-trade policies have been tried in Europe and they have proved to be an utter disaster. European emissions continue to climb while our current policies have resulted in emissions tailing off in the United States. The British environmental journal *Nature* in October said it's time to dump cap-and-trade because it's the wrong approach, and Kyoto has "failed" to cut greenhouse gases.

If we are going to impose enormous costs to our economy, a carbon tax would be a much more efficient and transparent approach. In addition, the Senate has passed two

resolutions stating that any climate action must neither harm our economy nor fail to include developing countries. Lieberman-Warner does not pass that test.

Former Federal Reserve Chairman Alan Greenspan recently wrote that any meaningful emission-reduction cap means a "large number of companies will experience cost increases that make them less competitive. Jobs will be lost, and real incomes of workers constrained." Greenspan pinpointed the entire global warming cap-and-trade debate when he wrote, "Cap-and-trade systems or carbon taxes are likely to be popular only until real people lose real jobs as their consequence."

To put it bluntly: Senators are going to be asking the American people to pay more for home energy and pay higher prices at the gas pump for no climate benefit. This bill will simply result in real economic pain, for no climate gain. It appears the realities of global warming "solutions" are finally being exposed across the political spectrum. This bill will burden American families with additional energy costs and significantly harm the U.S. economy.

Sen. James Inhofe (R-Okla.) is ranking member of the Environment and Public Works Committee.