

## US Senate climate bill to be unveiled April 26

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Source: Reuters

\* Backers hope for Senate vote in June or July

\* Measure could affect states' climate control activities (Adds reaction from American Petroleum Institute)

By Richard Cowan

WASHINGTON, April 15 (Reuters) - A long-awaited compromise bill to reduce U.S. emissions of carbon dioxide and other gases blamed for global warming will be unveiled by a group of senators on April 26, sources said on Thursday.

The legislative language to be sketched out in 11 days, according to government and environmental sources, is being drafted by Democratic Senator John Kerry, Republican Senator Lindsey Graham and independent Senator Joseph Lieberman.

Backers of the environmental bill hope the unveiling will pave the way for the full Senate to debate and pass a measure in June or July if the compromise attracts enough support from a group of moderate Republicans and Democrats.

Republican Senator Judd Gregg told Reuters he was "committed to getting something that addresses our energy needs in a constructive and comprehensive way." He added he did not know yet whether he would support the bill being developed.

President Barack Obama has made climate change one of his top priorities and took steps recently to show Republicans he was serious, including expanding federal aid for building nuclear power facilities and allowing more domestic offshore oil drilling -- initiatives to be included in the Senate compromise.

The White House is also eager to show the rest of the world the United States is ready to take a leadership role on global warming, including to help kick-start stalled international efforts to tackle the problem.

Despite vocal climate change skeptics in the United States, leading scientific groups have been hoping the United States, the biggest emitter of greenhouse gases after China, would take action.

The National Oceanic and Atmospheric Administration reported on Thursday the world's combined land and ocean surface temperatures in March were the hottest on record.

Once the senators formally sketch out their bill, Senate Democratic Leader Harry Reid will decide the next steps in a year crowded with competing legislative priorities and congressional elections in November.

The bill could face stiff opposition from lawmakers in states with economies heavily dependent on oil and coal.

Lou Hayden, a policy expert at the American Petroleum Institute, said his group would not support the bill unless it went through an economic analysis by the Energy Information Administration, an independent arm of the Energy Department.

The bill is already slated to be analyzed by the U.S. Environmental Protection Agency and the Congressional Budget Office, which could take more than a month.

### BILL MIGHT END STATE/REGIONAL CARBON TRADE PROGRAMS

Kerry, Lieberman and Graham have been working for months on a global warming compromise significantly different from a measure passed last year by the House of Representatives and a bill approved by the Senate Environment and Public Works Committee. It also takes many elements from those bills.

Like the House-passed bill and Obama administration policy, it would set a target of 17 percent reductions in smokestack

emissions of carbon dioxide by 2020, from 2005 levels.

Point Carbon, an energy markets consulting service, estimated the anticipated Senate bill would result in U.S. gasoline prices rising an average of 27 cents a gallon from 2013 to 2020. The bill is expected to contain a fee on motor fuels.

On Wednesday, a Senate source told Reuters the legislation would prohibit the Environmental Protection Agency from regulating carbon dioxide emissions. It would also end state and regional carbon-trading programs, such as the one several Northeastern states participate in, to be replaced by a national carbon reduction policy. [N14150360]

The Regional Greenhouse Gas Initiative, with 10 participating states from Vermont to Maryland, has raised over \$582 million for state efficiency and climate programs, said Environment Northeast, a Boston research group.

Peter Shattuck, a carbon markets policy analyst there, said shutting the program could create concerns among the states over lost revenues.

A group of nine senators, mostly from Midwestern manufacturing states, urged Kerry, Graham and Lieberman in a letter on Thursday to take into account jobs in their states.

"Without such a plan, we are concerned that the legislation will ultimately be unsuccessful," Ohio Democratic Senator Sherrod Brown and others wrote. (Additional reporting by Timothy Gardner in Washington and Ros Krasny in Boston; Editing by Peter Cooney)



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