



CLIMATE: Lieberman-Warner substitute represents 'consensus' among many senators -- Boxer

Darren Samuelsohn, *Greenwire* senior reporter

Sen. Barbara Boxer (D-Calif.) yesterday outlined potential changes she wants to see made to a major global warming bill as her aides worked behind the scenes to put the finishing touches on a revamped version of the legislation.

The latest incarnation of the climate bill would offer a significant boon to the economy while also giving Americans \$800 billion in "tax relief" over the life of the program to help pay higher energy bills or make their homes more energy efficient, Boxer, chairwoman of the Senate Environment and Public Works Committee, told reporters.

Any changes to the bill, Boxer said, reflected the views of the legislation's original co-authors, Sens. Joe Lieberman (I-Conn.) and John Warner (R-Va.), as well as other lawmakers.

"This represents a consensus document," Boxer said at a late afternoon press conference. "It's not everything everybody wants. It isn't just Lieberman, Boxer and Warner. It's lots of others that were involved. The [EPW] committee members. The members off the committee."

Boxer talked about a series of new items in the substitute amendment

but sidestepped more detailed questions, saying those answers would be more apparent once the actual text was made public. Asked for that schedule, Boxer at one point said the bill would be ready "within hours" but also said it would not be out until today at the earliest.

The long wait for the new climate bill has environmentalists and energy lobbyists on edge -- not to mention lawmakers who plan to craft amendments based on what is in the latest text.

So far, Boxer has released a broad summary of the bill and a one-page description of how she plans to distribute more than \$6.7 trillion in allowance and auction revenue over the program's four-decade lifespan.

Funding will go to a broad range of programs that would help overhaul the U.S. economy and make it more climate proof, including \$911 billion for consumers to help with energy costs and energy efficiency projects; \$566 billion for states to deal with greenhouse gas cuts and \$307 billion for fossil fuel electric utilities (*E&E Daily*, May 20).

Boxer explained that the dollar figures came from a U.S. EPA estimate on the price of carbon

dioxide credits, though she did not give an exact figure.

Looking ahead to next month's floor debate, Boxer said there has been no change to Senate Majority Leader Harry Reid's (D-Nev.) plan to start action on the climate bill on the first day after lawmakers return from the Memorial Day recess.

"That's what Harry said again today," Boxer recalled. "He just said today at lunch: June 2. So I'm going with June 2. If there's something that has to be done because the whole world is going to collapse if we don't do it, I assume we'd be pushed back. But at this point, it's June 2."

Senate aides from both sides of the aisle are gearing up to work through next week's Memorial Day recess to craft amendments to the climate bill, as well as their boss' talking points both for and against the measure.

10 minutes for the polar bear?

Reid has not yet specified the floor procedure for the climate bill. Boxer yesterday said her focus was on winning a majority for the motion to proceed onto the bill.

While Boxer said she hadn't done any whip counts, she took solace in

last Thursday's Senate floor debate on two climate-related amendments to the fiscal 2009 budget resolution. Senate Republicans won 34 votes on a largely symbolic motion that questioned the need for a new U.S. global warming policy unless China and India took similar steps to confront climate change. A separate Boxer-authored motion that endorsed a key piece of her climate bill passed, 55-40.

"I will predict that we should be able to get it, and that's a good sign," Boxer said of the motion to proceed.

Indeed, several Senate Republicans who otherwise oppose cap-and-trade legislation sounded interested yesterday in giving Boxer the room for a protracted climate debate -- albeit for different reasons.

Sen. David Vitter (R-La.), for example, said he didn't think Democrats would want to be put on record on the Lieberman-Warner legislation given recent EPA and Energy Information Administration studies which indicate higher energy prices if the bill were to become law.

"I wouldn't if I were them," Vitter said. "I would think they'd want to put it on the floor, talk about polar bears for 10 minutes and take it off. That's why I've specifically suggested to folks who feel as I do about the bill that we should keep it on the floor for as long as possible and really start the full debate about this very topic that we've never started in earnest."

Senate Budget Chairman Kent Conrad (D-N.D.), who has expressed concerns about the bill's costs, said he wasn't so concerned about

debating the issue. "Well, that's what we get paid to do," Conrad said. "Look, these are important issues. It deserves debate, votes."

Boxer seemed unconcerned about potential controversial amendments. She said she would make her case by pointing to the new "tax relief" provision that would cut individuals a share of an \$800 billion check if they need help with their energy bills.

"This is a huge amount of money to make sure consumers are protected," Boxer said.

According to Boxer's summary of the substitute amendment, the tax language will be written in the Senate Finance Committee. Boxer said she didn't think that needed to happen before the bill comes to the floor because the cap-and-trade program would not start until two years after it was signed into law.

Carol Guthrie, a spokeswoman for Senate Finance Chairman Max Baucus (D-Mont.), suggested her boss was on the same page with Boxer. "I know that Sen. Baucus is looking forward to seeing the final language, and will be working with the bill's managers as we move to floor consideration," Guthrie wrote in an e-mail.

Brainstorming amendments

Both sides of the aisle are gearing up for several heated amendment battles should the bill make it that far.

Sen. Bob Corker (R-Tenn.) told reporters he was working on several ideas, including language that would return auction revenue (Boxer projected it at about \$3.3 trillion through 2050) to the public through

tax cuts. Sen. Judd Gregg (R-N.H.) made similar comments last week.

"At the end of the day, every citizen will be paying more for their fuel and actually more for their food and almost every other product they buy," said Corker. "Our goal is to have an amendment that returns those proceeds to individuals."

Corker also said he was considering an amendment that would reduce the number of offsets that U.S. companies could purchase from other countries. "There are tremendous pitfalls" associated with international carbon offset projects, he said.

Energy and Natural Resources Committee ranking member Pete Domenici (R-N.M.) said he would consider making a budget point of order that could halt the Lieberman-Warner floor debate before it even gets started. A top Domenici aide said the Lieberman-Warner bill could be in trouble if it spends more money than it takes in -- a point Boxer's aides have been trying to address through amendments of their own.

Also, Domenici said he may offer an amendment that refocuses the U.S. climate policy on developing new energy technologies instead of cap-and-trade. Only after a set number of years would a cap-and-trade policy be used, he said, if the technology incentives didn't work to reduce emissions. And he would consider language that linked the start of a U.S. climate policy with efforts in China and India.

"I know nobody wants to include conditionality because they don't think China will do anything," Domenici said in an interview. "But

if they don't do anything, then the result of ours is almost nothing even though we go through all these gyrations and hurt us."

Sen. Johnny Isakson (R-Ga.) repeated his plan to introduce the same set of nuclear amendments that failed to win a majority during last December's EPW Committee markup. Those amendments would include loan guarantees, programs to improve confidence in waste storage and expedited permitting of new plants (*E&E Daily*, Dec. 6, 2007).

Isakson said he would not offer language to speed up development of the Yucca Mountain waste site in

Nevada given Reid's long-standing opposition to the issue.

Some Senate Democrats may propose changes to the legislation too.

Sen. Ben Nelson of Nebraska said he continues to study an alternative climate proposal crafted by Sen. George Voinovich (R-Ohio) that would start with tax incentives for low-carbon energy technologies (*E&E Daily*, May 8).

"It's a little early to call me an opponent" of the Lieberman-Warner bill, Nelson said. "I'm looking at other options, yes."

Boxer said she too would be open to amendments to the bill, including any proposal to increase the midcentury emission limits beyond a 71 percent cut from 2005 levels.