

## Kerry: Three Big Oil Companies Likely to Back Climate Bill

By Kate Sheppard

When Sens. John Kerry, Lindsey Graham and Joe Lieberman release their climate bill on Monday, they expect to have the backing of three of the five major oil companies, Mother Jones has learned. In a conference call with a coalition of progressive business leaders on Thursday evening, Kerry said he believes those companies will “actively participate in supporting this bill.” He hopes the other big oil companies will at least hold their fire on the bill, and added that he believes the American Petroleum Institute (API), the oil industry’s major trade group, will call off its ad campaign attacking the legislation.

Kerry also said that the Edison Electric Institute—the main trade group representing utilities—will support their measure. “We are bringing to the table a significant group of players who were never there for the Waxman-Markey bill,” Kerry said. (While Edison supported Waxman-Markey, it was opposed by several big oil companies and API).

In the teleconference, organized by the We Can Lead coalition, Kerry outlined specific details from the bill that have not previously been publicly available. Here’s a rundown:

- The bill would remove the Environmental Protection Agency’s authority to regulate carbon dioxide under the Clean Air Act, and the states’ authority to set tougher emissions standards than the federal government.
- There will be no fee—or “gas tax”—on transportation fuels. Instead, oil companies would also be required to obtain pollution permits but will not trade them on the market like other polluters. How this would work is not yet clear.
- Agriculture would be entirely exempt from the cap on carbon emissions.

- Manufacturers would not be included under a cap on greenhouse gases until 2016.
- The bill would provide government-backed loan guarantees for the construction of 12 new nuclear power plants.
- It will contain at least \$10 billion to develop technologies to capture and store emissions from coal-fired power plants.
- There will be new financial incentives for natural gas.
- The bill would place an upper and lower limit on the price of pollution permits, known as a hard price collar. Businesses like this idea because it ensures a stable price on carbon. Environmental advocates don’t like the idea because if the ceiling is set too low, industry will have no financial incentive to move to cleaner forms of energy.
- The energy bill passed by the Energy and Natural Resources Committee last year will be adopted in full. This measure has sparked concerns among environmentalists for its handouts to nuclear and fossil fuel interests.

Some elements of the legislation remain in flux, Kerry said. The senators still haven’t figured out how to deal with the contentious question of offshore drilling. He added that they are still trying to secure the support of the Chamber of Commerce, another prime foe of the House measure, but remain hopeful that the powerful business lobby might endorse the bill.

**UPDATE:** Post Carbon reports that the three oil companies expected to endorse the bill are Shell, BP and ConocoPhillips.