Global Warming’s Dominance

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By Margaret Kriz Hobson


“It’s time to reinvent the way America uses energy,” Kerry told the cheering crowd. But apparently 2009 is not the time when global-warming legislation will become law.

President Obama does not expect to have a bill to sign by the time diplomats convene in Copenhagen in December to work on a new climate treaty, the White House’s top energy adviser said on October 2. “Obviously, we’d like to be through the process,” Carol Browner commented during a public policy discussion hosted by The Atlantic magazine. “But that’s not going to happen.”

She continued: “We could be out of committee. Certainly in the Senate we could perhaps be headed to the floor. There could be a leadership bill out there. We will go to Copenhagen with whatever we have.”

Senate Majority Leader Harry Reid, D-Nev., conceded earlier this fall that climate-change legislation may well get pushed into next year, just as industry lobbyists predicted. So global warming will almost certainly dominate the 2010 energy agenda on Capitol Hill.

The prospects for the Boxer-Kerry bill could hinge on how much support it attracts from senators up for re-election next year. Analysts say that the ranks of the undecided now include six senators scheduled to face the voters on Election Day 2010: Blanche Lincoln, D-Ark., the new chairwoman of the influential Agriculture, Nutrition, and Forestry Committee; Evan Bayh, D-Ind.; Byron Dorgan, D-N.D.; John McCain, R-Ariz.; Lisa Murkowski, R-Alaska; and Arlen Specter, D-Pa.

Sometime this fall, Boxer’s committee is expected to pass the bill, which would create a cap-and-trade program to gradually ratchet down U.S. emissions of carbon dioxide. Although modeled after climate legislation adopted by the House in late June, Boxer-Kerry calls for more-aggressive reductions in the early years of the program. Even before other lawmakers saw Boxer-Kerry, they were demanding that the global-warming package look out for the interests of the agriculture, coal, natural-gas, and nuclear power industries.

Once climate legislation passes Boxer’s panel, it won’t go to the Senate floor until several other committees have put their mark on it. The Finance Committee will play a critical role; it will help decide which industries in the cap-and-trade program will receive free emission allowances in the early years instead of having to buy them on the open market. Manufacturers, electric power companies, and transportation fuel providers are jockeying vigorously for the millions of dollars’ worth of free credits that Boxer-Kerry proposes to parcel out.

The Finance Committee is also expected to consider whether to impose tariffs on imports from countries that don’t curb their own greenhouse-gas emissions. Obama opposes such tariffs, even though 10 Democratic senators wrote him and their party leaders in Congress in August to demand that climate-change legislation include tariffs to “maintain a level playing field for American manufacturing.”

The Finance Committee has had to delay its consideration of climate-related issues, because the panel is at the center of the health care debate. Chairman Max Baucus, D-Mont., has said he is willing to take up climate legislation this year if there is time. Agriculture Committee Chairwoman Lincoln also wants a crack at the climate-change proposal. Lincoln, who gained control of the panel during the chairmanship shuffle caused by Sen. Edward Kennedy’s death, is pushing for more protections for farmers and small businesses.

One climate-change measure has already made it through a Senate committee. In June, Energy and Natural Resources passed a bill that would require electric power companies to generate a portion of their electricity from renewable sources; expand oil and natural-gas
drilling off the coast of Florida; make it easier to expand and modernize the nation’s electric power grid; and boost nuclear power. Some Republicans and industry lobbyists are urging the committee chairman, Jeff Bingaman, D-N.M., to bring that legislation to the floor as a stand-alone measure rather than inserting it into a more comprehensive climate-change package.

Even though the Senate is no longer expected to complete work on global-warming legislation before the Copenhagen talks begin, White House officials say that the House’s passage of a climate bill proves that the United States is serious about reducing greenhouse-gas emissions. Administration officials are also touting the Environmental Protection Agency’s plan to use the Clean Air Act to restrict global-warming pollution from cars and trucks, power plants, and large manufacturers.

Early next year, EPA and the Transportation Department are expected to release details of their proposal to require cars and trucks to become more fuel-efficient and, thus, less polluting. EPA is also drafting proposals to require companies that emit at least 25,000 tons of greenhouse gases a year to cut back. Some companies in EPA’s crosshairs warn that they will sue to block the agency’s efforts to use the Clean Air Act to control global-warming pollution. (The Supreme Court ruled in 2007 that EPA has the authority under the Clean Air Act to control greenhouse gases if the agency concludes that the pollutants harm health and the environment.)

Global warming is not the only issue that the energy industry ranks as a top priority for 2010. Utilities want the federal government to intervene in a state-level battle over industry efforts to build a new cross-country power transmission superhighway. Electricity providers say they are responding to the federal government’s calls for greater reliance on renewable sources of energy. But state and local officials have slowed or stopped construction of high-power transmission lines across state lines, leaving the companies unable to transmit the “green” electricity from wind farms in the Great Plains and from solar sites in the Southeast to power-hungry urban areas along the East and West coasts.

To overcome the resistance from state and local authorities, electric power officials are pushing Congress to give the Federal Energy Regulatory Commission clear authority to override them. FERC Chairman Jon Wellinthoff agrees that new legislation is needed. “Without additional siting authority, I believe we will be unable to meet America’s energy goals,” he said on September 30.

But power companies face tough opposition from members of Congress whose states would be strung with new high-power lines. Hardly anyone wants huge utility towers in their own backyard, and state officials object to proposals that would run the power lines through their territory without reducing residents’ electric bills. The conflict between the desire for greater access to green electricity and the determination of state and local officials to protect their land-use authority is almost certain to heat up in 2010.

Meanwhile, oil and natural-gas companies are pushing Congress and the White House to open more federal land and offshore areas to drilling. The industry’s arguments could carry additional weight next year if the world economy begins to recover and U.S. gasoline prices climb. Oil companies want to broaden provisions in the Bingaman bill permitting them to expand where they are allowed to drill off Florida’s Gulf Coast. They also charge that the Obama administration is dragging its heels on implementing a Bush White House plan to open the Atlantic and Pacific coasts to oil development. Interior Secretary Ken Salazar has hinted that he may delay action on the Bush proposal until 2012; industry officials want access to begin next year.