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3 MARKUP ON H.R. 2454, THE AMERICAN

4 CLEAN ENERGY AND SECURITY ACT OF 2009

5 TUESDAY, MAY 19, 2009

6 House of Representatives,

7 Committee on Energy and Commerce

8 Washington, D.C.

9 The Committee met, pursuant to call, at 10:00 a.m., in
10 Room 2123 of the Rayburn House Office Building, Hon. Henry
11 Waxman (chairman of the committee) presiding.

12 Members present: Representatives Waxman, Dingell,
13 Markey, Boucher, Pallone, Gordon, Rush, Eshoo, Stupak, Engel,
14 Green, DeGette, Capps, Doyle, Harman, Schakowsky, Gonzalez,
15 Inslee, Baldwin, Ross, Weiner, Matheson, Butterfield,
16 Melancon, Barrow, Hill, Matsui, Christensen, Castor,
17 Sarbanes, Murphy of Connecticut, Space, McNerney, Sutton,
18 Braley, Welch, Barton (ex officio), Hall, Upton, Stearns,
19 Deal, Whitfield, Shimkus, Shadegg, Blunt, Buyer, Radanovich,

20 Pitts, Mack, Walden, Terry, Rogers, Myrick, Sullivan, Murphy
21 of Pennsylvania, Burgess, Blackburn, Scalise, and Gingrey.

22 Staff present: Phil Barnett, Staff Director; Kristin
23 Amerling, Chief Counsel; David Rapallo, General Counsel;
24 Karen Lightfoot, Communications Director/Senior Policy
25 Advisor; Bruce Wolpe, Senior Policy Advisor; Greg Dotson,
26 Chief Environmental Counsel; Lorie Schmidt, Senior
27 Counsel/Air Quality & Climate Change; Alexandra Teitz, Senior
28 Counsel; Michael Goo, Counsel; Matt Weiner, Special
29 Assistant; Jeff Baran, Professional Staff Member; Alex
30 Barron, Professional Staff Member/Climate and Energy; Melissa
31 Bez, Professional Staff Member; Joel Beauvais, Policy
32 Advisor; Ben Hengst, EPA Detail; John Jimison, Counsel; Rob
33 Cobbs, Professional Staff; Earley Green, Chief Clerk; Sharon
34 Davis, Chief Legislative Clerk; Jen Berenholz, Deputy Clerk;
35 Caitlin Haberman, Assistant Clerk; Mitch Smiley, Special
36 Assistant; Douglas Wilder, Fellow; Miriam Edelman, Special
37 Assistant; Valerie Baron, Special Assistant; Matt Eisenberg,
38 Staff Assistant; Caren Auchman, Communications Associate;
39 Lindsay Vidal, Press Assistant; Pope Barrow, Legislative
40 Counsel; Warren Burke, Legislative Counsel; David Cavicke,
41 Staff Director; Lance Kotschwar, General Counsel; Jerry
42 Couri, Professional Staff; Amanda Mertens Campbell, Counsel;
43 Andrea Spring, Professional Staff; Aaron Cutler, Counsel;

44 Mary Neumayr, Counsel; Peter Spencer, Professional Staff;
45 Will Carty, Professional Staff; and Shannon Weinberg,
46 Counsel.

|
47 H.R. 2454

48 10:00 a.m.

49 The {Chairman.} The Committee will please come to
50 order. Today the Committee continues consideration of H.R.
51 2454, the American Clean Energy and Security Act of 2009,
52 sponsored by myself and the Chairman of the Subcommittee on
53 Energy and the Environment, Mr. Markey. At yesterday's
54 Committee meeting, I brought up the bill for consideration
55 and offered the Waxman-Markey amendment in the nature of a
56 substitute which was pending when the Committee recessed.

57 As Mr. Barton and I discussed in the colloquy yesterday
58 and as I described in a previous memo to Committee members,
59 the amendment in the nature of a substitute is open to
60 amendment at any point. However, to promote orderly and
61 thoughtful deliberation of the amendments, I will exercise
62 the Chair's power of recognition to give priority to
63 amendments in order of title. This means that I will give
64 priority to members who have amendments to Title I over those
65 having amendments to subsequent titles. When the amendments
66 to Title I have been considered, I will then use a similar
67 procedure for considering amendments to the subsequent
68 titles.

69 I also have asked that members submit amendments to the

70 committee at least 2 hours before offering the amendment to
71 ensure that all members of the Committee have sufficient time
72 to review and understand amendments before they are offered.
73 And I am pleased that members of both sides have been
74 following this policy, and my staff has been distributing
75 these amendments to all Committee members.

76 I will exercise the Chair's power of recognition to
77 prioritize recognition of members offering amendments that
78 have been submitted consistent with the advance submission
79 policy I have described.

80 And now I turn to the pending amendment in the nature of
81 a substitute, and without objection, amendments drafted to
82 H.R. 2454 are made in order to this amendment in the nature
83 of a substitute. Does any member seek recognition? For what
84 purpose, Mr. Barton, do you seek recognition?

85 Mr. {Barton.} Just to strike the requisite number of
86 words at this time.

87 The {Chairman.} The gentleman is recognized.

88 Mr. {Barton.} Just, I have some questions.

89 The {Chairman.} Yes.

90 Mr. {Barton.} I appreciate what you just said in your
91 opening statement. I want to clarify some of that. The
92 minority is going to make a good-faith effort for this 2-hour
93 notification, but there are going to be some amendments. In

94 fact, we are redrafting several as we speak that we are
95 probably not going to get out what we could get out in 2
96 hours' time if we go as long as I think we are going to go.
97 But there will be some amendments that will be timely for
98 specific titles that will not meet the 2-hour notification.
99 So how do you handle an amendment to Title I before we go to
100 Title II if it is not out within 2 hours of consideration
101 while Title I is under consideration?

102 The {Chairman.} Well, I would hope that if members have
103 amendments to Title I, they try to get it out as quickly as
104 possible.

105 Mr. {Barton.} We are going to--

106 The {Chairman.} And we are not closing out a title, so
107 if members do not get a chance to get their amendment ready
108 for Title I and we are out of time then, we will move
109 forward, and then you and I can work out a schedule to maybe
110 return to Title I at some early point. But if we don't, all
111 the amendments to titles that have previously been considered
112 will be pushed to the end of the consideration for the
113 legislation.

114 Mr. {Barton.} Okay. Thank you, Mr. Chairman.

115 The {Chairman.} Thanks.

116 Mr. {Dingell.} Mr. Chairman, I have an amendment at the
117 desk.

118 The {Chairman.} The gentleman seeks recognition for the
119 purposes of offering an amendment.

120 Mr. {Dingell.} Yes, sir.

121 The {Chairman.} And has it been shared in 2 hours in
122 advance?

123 Mr. {Dingell.} It has.

124 The {Chairman.} And is it an amendment to Title I?

125 Mr. {Dingell.} It is, Mr. Chairman.

126 The {Chairman.} The Clerk will report the amendment.

127 The {Clerk.} Amendment offered by Mr. Dingell of
128 Michigan on behalf of himself, Mr. Inslee of Washington, and
129 Mr. Gordon of Tennessee. In Title I, add at the end the
130 following new subtitle: Subtitle J, Nuclear and Advanced
131 Technologies.

132 [The amendment follows:]

133 ***** INSERT 1 *****

134 Mr. {Walden.} Mr. Chairman, I reserve the right.

135 The {Chairman.} The gentleman reserves the right.

136 Mr. {Walden.} I reserve a point of order.

137 The {Chairman.} Do you reserve a point of order?

138 Mr. {Walden.} Yes.

139 The {Chairman.} Do you reserve a right to the--

140 Mr. {Walden.} I reserve a point of order.

141 The {Chairman.} --unanimous consent to read the
142 amendment or forego the reading?

143 Mr. {Walden.} I will forego the reading.

144 The {Chairman.} Gentleman from Oregon reserves a point
145 of order on the amendment, and let me again put the unanimous
146 consent request that the reading be suspended for this
147 Dingell amendment. Without objection, that will be the
148 order, and the gentleman from Michigan is recognized for 5
149 minutes to speak on his amendment.

150 Mr. {Dingell.} Mr. Chairman, I thank you. Mr. Chairman
151 and my colleagues, the amendment adds a new title to the bill
152 before us regarding the financing of energy technologies. I
153 am honored to be joined by my colleagues Mr. Inslee and Mr.
154 Gordon and having their support in the development of this
155 amendment.

156 While we approached the need for this amendment on

157 behalf of different energy technologies, Mr. Inslee, with a
158 strong interest in the development of renewable energy and I
159 with my strong interest in ensuring the development of the
160 next generation of nuclear power, we agreed that our current
161 system of federal funding for energy technologies must be
162 more robust and flexible to meet America's future energy
163 needs. And I want to thank my good friend, Mr. Gordon, for
164 joining in this matter.

165 To this end we propose two changes which I will describe
166 further. Modifications to Title XVII, Loan Guarantee Program
167 created in the 2005 Energy Act. One of our major energy
168 sources for project funding and the creation in the
169 Department of Energy of a new Clean Energy Deployment
170 Administration. In Title XVII we made clear that a final
171 term sheet from the Secretary constitutes a binding
172 commitment such that the energy projects can obtain the
173 required non-federal energy financing with surety that the
174 federal guarantee will proceed. The amendment also ensures
175 that any fees collected by the department under the program
176 are captured for the program by creating a new fund for
177 incentives for innovative technologies and allowing the
178 Secretary to assess those funds without further appropriation
179 for energy projects.

180 Lastly, on Title XVII, we make in my view a long,

181 overdue change supported by the nuclear industry to add
182 Davis-Bacon Prevailing Wage Protection to Title XVII. We
183 made this adjustment in the Recovery Act for the newly
184 created Loan Guarantee for Transmission and Renewables. It
185 is the right thing to do here.

186 This amendment will also create a new Clean Energy
187 Deployment administration at DoE. This new entity with
188 members appointed by the President, confirmed by the Senate,
189 would provide financing to a wide-range of energy
190 technologies from renewable energy to nuclear power to coal
191 with carbon capture and storage. For those members who share
192 my interest in nuclear energy, this program will share many
193 of the features of the Title XVII program. It will provide
194 80 percent of project costs, but it will avoid duplication
195 with Title XVII. No technology will be able to get more than
196 30 percent of the financial support available from CEDA so
197 that the funds can be spread around to different worthy
198 projects.

199 I believe this is a good amendment worthy of the
200 Committee's support. I urge my colleagues to support it, and
201 if anybody has any questions, I will be glad to respond. I
202 would note to my good friend from Oregon, it is not subject
203 to a point of order.

204 The {Chairman.} Thank you, Mr. Dingell. Discussion of

205 the Dingell amendment?

206 Mr. {Barton.} Mr. Chairman?

207 The {Chairman.} Mr. Barton.

208 Mr. {Barton.} I have questions--

209 The {Chairman.} The gentleman is recognized for 5
210 minutes.

211 Mr. {Barton.} --for the counsel. This new subtitle is
212 a brand-new program that is not in existence, is that
213 correct?

214 {Counsel.} Section 191 that we created under Subtitle
215 J, those are revisions to an existing program, the Title XVII
216 Loan Program, which was established under the Energy Policy
217 Act of 2005, and there are several additional sections
218 starting with Section 192 that involve the creation of a
219 Clean Energy Deployment Administration.

220 Mr. {Barton.} So that is a brand new program?

221 {Counsel.} That is a new program.

222 Mr. {Barton.} Okay. It is going to be in the
223 Department of Energy?

224 {Counsel.} I can refer you to specific language. On
225 page 12 of the amendment it reads, there is established in
226 the Department of Energy an administration to be known as the
227 Clean Energy Deployment Administration under the direction of
228 the Administrator of the Administration and the Board of

229 Directors.

230 Mr. {Barton.} So we have a new program in the
231 Department of Energy? It says nuclear and advanced
232 technologies. What other technologies are eligible for this
233 loan guarantee program besides conventional nuclear power?
234 If the author of the amendment wants to answer, he can
235 answer, too.

236 {Counsel.} On page 5 of the amendment, there is a
237 definition of clean energy technology.

238 Mr. {Barton.} So it can be anything? A breakthrough
239 technology that presents a significant opportunity to advance
240 the goals developed under Section 195 as assessed under the
241 methodology established by the Advisory Council but has
242 generally not been considered a commercially ready
243 technology.

244 Could the author of the amendment enlighten us as to
245 what that really means?

246 Mr. {Dingell.} I am sorry. I didn't hear the question.

247 Mr. {Barton.} I said, could the author of the amendment
248 enlighten us as to what these other advanced--what do you
249 have in mind?

250 Mr. {Dingell.} I am not exactly sure. We know that
251 there are going to be new technologies. We know that we are
252 going to have to provide ways of getting them funded and

253 financed where there is no other source of funding through
254 the more regular channels of Commerce. For example, Title,
255 perhaps direct, on-stream generation through river
256 generation, perhaps some unique kind of wind or solar,
257 perhaps generation of power through energy gradients,
258 differentials in the ocean--

259 Mr. {Barton.} It is really open-ended.

260 Mr. {Dingell.} Of course.

261 Mr. {Barton.} You don't have a clue?

262 Mr. {Dingell.} We are trying to generate new energy and
263 generate new sources. You have got to allow the department
264 to have a mechanism for getting these new kinds of energy on
265 the market and getting them developed. Otherwise, we might
266 find them being developed in China or some other awkward
267 place like that.

268 Mr. {Barton.} Okay. Could I ask the Counselor of the
269 author, what is the authorization level that we are
270 authorizing for this new program?

271 {Counsel.} In Section 194 on page 8 of the amendment--

272 The {Chairman.} Is your microphone on?

273 {Counsel.} Yes, I will just move it closer. Section
274 194, Subsection B, authorization of appropriations, there are
275 authorized to be appropriated to the fund such sums as are
276 necessary to carry out this subtitle.

277 Mr. {Barton.} Such sums? Could the author of the
278 amendment enlighten me as to are we talking about hundreds of
279 millions such sums? Hundreds of billions of such sums?
280 Trillions of such sums? What is your best guess as to what
281 such--normally we don't do such sums in this Committee.

282 Mr. {Dingell.} Well, I am willing to accept a
283 reasonable amendment. I just want to see that we get these
284 programs funded and financed, and we do have the limits that
285 are imposed by the fact that they are going to be functioning
286 from monies that are going to be coming into the government
287 in the first place. I would hate to see these kinds of
288 programs die or not be funded for want of availability of
289 funding. I am not able to tell you what the need is, but I
290 think it is like beauty. It is in the eye of the beholder.

291 Mr. {Barton.} I know my first 5 minutes is expired, Mr.
292 Chairman, but I just want to make sure we understand here.
293 This is our very first amendment, and it is from the
294 esteemed--

295 The {Chairman.} Without objection, the gentleman will
296 be given 2 additional minutes.

297 Mr. {Barton.} Thank you, Mr. Chairman. It is from our
298 esteemed former Chairman, my good friend. But it is a brand-
299 new program, it is totally open-ended, there is really no
300 definition to what these advanced technologies are, and it is

301 totally open-ended as to funding. So it is somewhat ironic
302 that our very first amendment out of the box is an open-ended
303 definitional program and open-ended in terms of funding
304 program. So while I am certainly not opposed to the concept,
305 I understand what a nuclear technology is, but I would say I
306 have to oppose this in its current form because it just
307 doesn't have enough structure.

308 The {Chairman.} Will the gentleman yield to me?

309 Mr. {Barton.} I would be happy to yield.

310 The {Chairman.} It is not unusual to have
311 authorizations of such sums as may be necessary that would
312 then be up to the President's budget and the budget enacted
313 by the Congress, then the specific appropriation decided upon
314 by the Appropriations Committee. So I just wanted to make
315 that one point.

316 But I also wanted to thank Chairman Dingell and Mr.
317 Inslee and Mr. Gordon for their thoughtful and balanced
318 amendment. I think it is a good one. It has sensible
319 reforms, the Title XVII loan guarantee program, and a Clean
320 Energy Deployment Administration to provide financial
321 assistance of nuclear power as well as renewable and other
322 advanced technologies. We want to promote the domestic
323 development and deployment of clean energy technologies by
324 establishing the self-sustaining Clean Energy Deployment

325 Administration. So I thank you for yielding to me, and I
326 think it is a good amendment. I am sorry to disagree with
327 you with all due respect, but I think--

328 Mr. {Barton.} It won't be the first time in this markup
329 or the last time in this markup, Mr. Chairman. And I am not
330 totally opposed to the concept. I just think it needs a
331 little more structure. If Mr. Inslee or Mr. Gordon have any
332 ideas, I think if we could put some limiting factor in terms
333 of an authorization and some definition in terms of
334 technologies that are available, we could probably accept it.

335 Mr. {Dingell.} Would the gentleman yield to me?

336 Mr. {Barton.} I think my time is expired. To the
337 extent I have time, I would be happy to yield.

338 Mr. {Dingell.} I ask the gentleman be given 1
339 additional minute?

340 The {Chairman.} Without objection, and that will be the
341 order.

342 Mr. {Dingell.} I want to thank my good friend from
343 Texas. We are close to agreement here. We have a situation
344 where there is a lot of things that we have a chance to do
345 but can't do under the bill as drawn because there is going
346 to be a lot of kinds of energy development that will not be
347 able to get funding unless we provide a mechanism whereby
348 that can happen. This will make those things happen from a

349 proper government source. This is going to be the subject of
350 first of all the continuing process of the Congress, but it
351 is also going to be subject to the budget process. And I
352 would just say to my good friend that unless we put something
353 like this in here, you are going to find that we are not
354 going to be funding a lot of projects that are going to be
355 necessary for addressing the other problems that we have with
356 regard to the bill, including how we are going to take care
357 of the American energy industry in both the production of new
358 mechanisms for energy production but also in terms of offsets
359 and things like that.

360 The {Chairman.} The gentleman's time has expired. Mr.
361 Inslee seeks recognition.

362 Mr. {Inslee.} Thank you. I just wanted to respond to a
363 couple of Mr. Barton's concerns as far as limiting factors.
364 You know, this whole idea is that the devil is in the
365 details, but the devil is actually in the financing when it
366 comes to really getting clean energy going. And on page 5, I
367 just want to allude to the language that limits the program
368 to breakthrough technology, and that is technology with a
369 significant opportunity to advance our goals that has
370 generally not been considered a commercially ready technology
371 as a result of high-perceived technology risk or other
372 similar factors. The fact of the matter is we have got some

373 brilliant Americans out right now, and they try to cross what
374 they call the valley of death. And the valley of death is
375 that the gap between venture capital which helps these people
376 get their technology out of the garage into a prototype, but
377 then you have to scale up to the first commercially viable
378 scale of projects like algae-based biofuels with Sapphire
379 Energy, like lithium ion batteries at Al23 Battery, like energy
380 efficiency at Verdiem. And I want to point out as well, this
381 is not just energy generation. This is designed to help high
382 technology in transmission and storage and efficiency. So
383 when you have got a company like Verdiem in Seattle that does
384 energy efficiency and they want to scale up, it helps them.
385 So I want to point out that this is trying to get that group
386 of people that are trying to cross that financing valley of
387 death to try to get them to the first commercially viable
388 scale project.

389 I want to point out two things I think are of interest
390 in this bill. First off, we do have a limit of 30 percent.
391 We do want to make sure that no one technology is the only
392 one that is financed, and one of the successes of this bill
393 we think is that we have addressed all of the potential
394 technologies from coal to nuclear to solar to wind, you name
395 it. We are being eclectic and multi-varied, and that is the
396 right approach.

397 Second, I think there is a little more work. I hope as
398 we continue this process, in our original bill Mr. Dingell
399 and I introduced, we had a provision for indirect financing.
400 I hope we can find a way as the matter progresses to get back
401 that issue, and I commend this amendment. Thank you.

402 Mr. {Barton.} Will the gentleman yield for--

403 Mr. {Inslee.} Yes.

404 Mr. {Barton.} Would the authors of the amendment be
405 willing to put some structure into the actual bill like you
406 just talked about? At least you gave some examples of the
407 kind of technologies.

408 Mr. {Dingell.} Will the gentleman from Texas yield?

409 Mr. {Barton.} I am just asking the question of Mr.
410 Inslee, but I am sure he will yield to you.

411 Mr. {Inslee.} Certainly.

412 Mr. {Dingell.} So he can speak for me.

413 Mr. {Inslee.} Yield to Barton to Inslee to Dingell.

414 Mr. {Dingell.} Well, I thank my good friend. The
415 answer to the question is yes. We will be happy to talk to
416 our good friend from Texas and try to see to it that his
417 concerns are met because I think they are valid and
418 legitimate, and we can do this as the matter goes forward.

419 Mr. {Barton.} Thank you.

420 Mr. {Upton.} Mr. Chairman?

421 The {Chairman.} Further discussion of the amendment?

422 For what purpose does the gentleman--

423 Mr. {Upton.} Strike the last word.

424 The {Chairman.} The gentleman is recognized.

425 Mr. {Upton.} I might direct this question to my good
426 friend, Mr. Dingell. I know that it is my understanding that
427 similar language has now been adopted in the Senate, and the
428 one difference between this amendment as is proposed and what
429 the Senate actually did was on page 26 where it says that no
430 particular technology is provided more than 30 percent of the
431 financial support available. And my question is, we don't
432 know what the appropriated level will be because that is
433 going to be up to the Appropriations Committee. So we don't
434 know how much money itself. But let us say they do come up
435 with some great, new, different technology that is a
436 breakthrough that we ought to pursue. Well, 30 percent may
437 be too little, 30 percent of a question mark. It may be too
438 little. The Senate provision did not have a limitation that
439 paralleled the 30 percent. In fact, our former colleague,
440 Mr. Sanders from Vermont offered an amendment to limit it to
441 20 percent, in essence, about the same, and that amendment
442 was rejected in the Senate 18 to 5. Pretty overwhelming.

443 So when my friend says that he would be willing to
444 accept a reasonable amendment, to me a reasonable amendment

445 would be to strike this 30 percent provision, and I think
446 that you would find some pretty general, strong support here
447 and it would mirror what the senate did and not limit a
448 breakthrough technology that we may not know about down the
449 road.

450 Mr. {Dingell.} Well, if the gentleman would yield, I
451 would like to begin by expressing my respect and affection
452 for the gentleman. I think he makes a good point. As the
453 gentleman observed, this is a small difference between our
454 bill and the Senate bill, and with all the respect I could
455 muster for the United States Senate, which occasionally is
456 difficult, I would observe I would be happy to work with the
457 gentleman along these lines. I have to tell the gentleman
458 that the concern I have and that my good friend I think
459 shares is that one big drain from one particular industry
460 might suck away funding that would go help other industries.
461 And since a lot of these demands are to be small from new and
462 burgeoning industries, we might wind up with something like
463 my good friends in nuclear--and I am very strongly in favor
464 of nuclear--would wind up with a situation where they would
465 draw all the money out, and there would be nothing left for
466 some new kind of energy generation that might be helpful.

467 The gentleman raises a point which is a good one. I
468 would be delighted to work with him because I have great

469 affection for him.

470 Mr. {Upton.} Well, thank you. Would the gentleman
471 consider striking this and we can continue to work together
472 just the percent?

473 Mr. {Dingell.} I would be willing to return to it. I
474 have always felt that a bird in hand is worth a couple or
475 three in a bush.

476 Mr. {Upton.} All right. Does anyone on my side want my
477 remaining time? Mr. Shimkus? I will yield to Mr. Shimkus.

478 Mr. {Shimkus.} No, I want my--

479 Mr. {Upton.} Oh, all right. I yield back. Thank you.

480 The {Chairman.} Further recognition? Mr. Markey.

481 Mr. {Markey.} Thank you, Mr. Chairman, very much. This
482 particular amendment is a centerpiece in the nuclear energy
483 industry's goals for this legislation. This is a provision
484 which helps to provide financing for the nuclear industry
485 going forward. It is something that is support on our side.
486 However, it is divided in a way in which other advanced
487 technologies can also derive financial support. And that is
488 just consistent with any kind of portfolio which is
489 diversified so that everything isn't in just one technology.
490 But the nuclear energy industry can, in fact, receive upwards
491 of 30 percent of all of this funding. And it is why most of
492 the nuclear electric utilities in the United States are

493 endorsing this legislation, by the way. This is additional
494 language on top of that that Mr. Dingell is proposing today.

495 So the formulation as Mr. Dingell has it is quite
496 balanced but open agenda which does give the nuclear industry
497 a financial footing that can help them in the years ahead as
498 it will with other advanced technologies. So I think it is a
499 good balance that he has struck, and urge the Committee to
500 raise the amendment.

501 Mr. {Barton.} Would the gentleman yield for a question?

502 Mr. {Markey.} I would be glad to.

503 Mr. {Barton.} As the distinguished Subcommittee
504 Chairman, I want to make sure I understand what you just
505 said. Conventional nuclear energy projects in this section
506 are eligible for loans from this Clean Energy Investment
507 Fund, is that correct?

508 Mr. {Markey.} Yes, they are available for loan
509 guarantees from the Title XVII program, and similarly they
510 are eligible from the Clean Energy Development Administration
511 program, yes.

512 Mr. {Barton.} Well, that is not my question. On page 8
513 of this amendment in Section 194, there is established a
514 Clean Energy Investment Fund, and my question is, is a
515 convention nuclear generation power project eligible for this
516 Clean Energy Investment Fund established under Section 194 of

517 the pending amendment?

518 Mr. {Markey.} The criteria in the amendment is that it
519 will be subsidizing advanced technology. In other words,
520 rather than subsidizing already-existing technology, the goal
521 in this amendment is to subsidize advanced technology which
522 the nuclear industry says that they are ready to do and make
523 that investment, and this is going to help them to move to
524 the next generation of technology. And that is the objective
525 of the legislation. We are trying to focus on the future,
526 trying to create a portfolio of the future that nuclear is a
527 part of, and this allows them to gain access to the financing
528 for that new, advanced nuclear technology--

529 Mr. {Barton.} So the answer to that is yes?

530 Mr. {Markey.} The language itself says the term clean
531 energy technology means that technology related to the
532 production, use, transmission, storage, control or
533 conservation of energy that will contribute to the
534 stabilization of atmospheric greenhouse gas concentrations
535 through reduction, avoidance, or sequestration. So that is
536 very broad language which the nuclear power industry would
537 qualify under and application I think to this--

538 Mr. {Barton.} It is an important question. I mean I am
539 not being argumentative.

540 Mr. {Dingell.} Would the Chairman yield?

541 Mr. {Markey.} I would be glad to yield to the
542 gentleman.

543 Mr. {Barton.} Conventional sources are eligible for
544 lending under Title XVII. Under this, they would not be, but
545 new kinds of generation would be under this.

546 Mr. {Barton.} So a reactor that has never been built
547 but that has had the design approved, a nuclear reactor that
548 has never been built for commercial operation but is an
549 advanced reactor design that has been approved, would that
550 project to eligible for this Clean Energy Investment Fund?

551 Mr. {Dingell.} Will the gentleman yield because he is
552 talking to the particular subject of nuclear? On nuclear,
553 the next generation of nuclear would be classed as new kinds
554 of generation. They would be eligible both under Title XVII
555 and under the provisions of this amendment.

556 The {Chairman.} The time of the gentleman from
557 Massachusetts has expired. Further discussion of the
558 amendment?

559 Mr. {Barton.} I am still not sure what the--I had Mr.
560 Markey give me I think a yes, and I had Mr. Dingell I think
561 give me a no and then a maybe.

562 Mr. {Markey.} No. I agree with Mr. Dingell's
563 interpretation. Under the Clean Energy Development
564 Administration, I think he properly characterized the

565 qualification terms.

566 Mr. {Barton.} Well--

567 Mr. {Markey.} And under the loan program, it is
568 existing technology, under the Clean Energy Deployment
569 Administration, it is more advanced technology.

570 Mr. {Barton.} Well, under the Energy Policy Act of
571 2005, which this amends, the whole purpose of that was that
572 these new nuclear power plants, these new designs, could get
573 these loans and could be built. But they are designs that
574 have already been approved. I understand what Chairman
575 Dingell says. He says if you have an advanced reactor that
576 hasn't been approved yet, it would be new technology, and it
577 would qualify. But if it was an existing reactor that has
578 been approved but hasn't been built, it wouldn't.

579 Mr. {Stearns.} Would the gentleman yield?

580 Mr. {Barton.} Yeah.

581 Mr. {Dingell.} Would the gentleman yield? I think we
582 are arguing about something here that is probably not
583 important because--

584 Mr. {Barton.} It is very important because it is
585 billions of dollars.

586 Mr. {Dingell.} Well, if the gentleman would permit, the
587 only nuclear that is going to be constructed in this country
588 is going to be the next generation. And so it fits very

589 nicely into what I had said, and it fits very nicely in
590 ensuring the loans for the next generation of nuclear.

591 Mr. {Stearns.} Would the gentleman yield for a moment?

592 The {Chairman.} The gentleman's time has expired. Mr.
593 Stearns.

594 Mr. {Stearns.} Thank you, Mr. Chairman. I just want to
595 ask Counsel, on page 8, under Section 194, as mentioned
596 before, it says establish in the Treasury a revolving fund to
597 be known as a Clean Energy Investment Fund, and it talks
598 about such sums as may be appropriated to supplement the
599 fund. Then under authorization, it goes on to say there are
600 authorized to be appropriated to the funds such sums as
601 necessary to carry out this subtitle. So those are the
602 authorizations. You go down to expenditures, it says an
603 amount in the funds shall be available to the administrator
604 or the administration for obligations without fiscal year
605 limitation to remain available until expended. Am I correct
606 in saying that this is an open-ended section which will allow
607 this Clean Energy Investment Fund to authorize without limits
608 any amount of money and to expend any amount of money without
609 any type of oversight? Is that correct?

610 {Counsel.} Under Section 194, as you said, there is an
611 authorization and then there is a provision for expenditures
612 from fund. There is no further language here.

613 Mr. {Stearns.} But I mean, couldn't you interpret that
614 to mean that you could authorize any amount of money, from \$1
615 up to a trillion? You could expend any amount of money from
616 \$1 up to a trillion. There is no limitation. Is that true
617 that you could spend any amount of money to develop this
618 clean energy investment fund? Is that true, yes or no?

619 {Counsel.} This is subject to appropriations, so only
620 appropriated funds.

621 Mr. {Stearns.} No, but it is saying without limit. All
622 necessary to carry it out. The question to you, Counsel, is
623 the language as it is establishing a Clean Energy Investment
624 Fund based upon any amount of money without limit, isn't that
625 what it says?

626 {Counsel.} It is appropriated sums.

627 Mr. {Stearns.} Yeah, which means any amount of money.

628 {Counsel.} That is not what the language says.

629 Mr. {Stearns.} Well--

630 Mr. {Whitfield.} Would the gentleman yield?

631 Mr. {Stearns.} Yes, I will yield to my colleague.

632 Mr. {Whitfield.} Thank you for yielding. Just to
633 clarify, Mr. Stearns, in Section 194 on page 8 it says that
634 this Clean Energy Investment Fund, consisting of number one,
635 such amounts as are deposited in the fund under this
636 subtitle, and then number two, appropriated funds which

637 leaves the indication there are monies coming from two
638 different sources here, appropriated funds and those
639 deposited under the subtitle. So those funds under the
640 subtitle, what does that refer to?

641 {Counsel.} I believe the language, such amounts as are
642 deposited in the fund under this subtitle, refers to at the
643 bottom of page 8, administrative expenses. There is a
644 provision there, fees, fees collected for administrative
645 expenses shall be available without limitation to cover
646 applicable expenses to the extent that administrative
647 expenses are not reimbursed through fees an amount not to
648 exceed 1.5 percent of the amounts in the fund as of the
649 beginning of each fiscal year, shall be available to pay the
650 administrative expenses for the fiscal year necessary to
651 carry out this subtitle.

652 Mr. {Whitfield.} Well, I understand that, but from the
653 front end, these limitations on the fund on Section 9, but on
654 the front end they could appropriate, depending upon the
655 appropriators, they could appropriate any amount of money to
656 do this.

657 Mr. {Dingell.} Will the gentleman [indiscernible]?

658 Mr. {Whitfield.} Well, I guess my point with the
659 Counsel is what you are saying when I asked the question yes
660 or no, can they appropriate any amount of money, you are

661 saying, it is up to the appropriators? Is that what you are
662 saying?

663 Mr. {Dingell.} Would the gentleman yield?

664 Mr. {Whitfield.} Oh, sure. Okay.

665 Mr. {Dingell.} And I thank him. There are two sources
666 of funding. One is what the appropriators give, and the
667 other is the money that is paid into the fund as a part of
668 the activities of the people who are the generators of this
669 fund, right? And they are subject to different limitations,
670 and I think we can address the concerns, my good friend, by
671 identifying what the difference is between the two sources of
672 money in terms of the way they are treated--

673 Mr. {Whitfield.} Well, let me reclaim my time, Mr.
674 Dingell. I guess the point I am having trouble with is it
675 appears to me in this Section 194, the amendment might be
676 very beneficial but the problem is it appears to me that
677 there is unlimited amount of money that can be appropriated
678 and then I understand that to the extent to which there is
679 percentages later. But it looks like it is open-ended both
680 in the appropriations side and the expenditure side, and I
681 just think that is reason enough not to support this
682 amendment. And I just would ask the authors of the amendment
683 to withdraw it to take Mr. Barton's point and Mr. Upton's
684 point as well as try to establish a little closer fiscal

685 control of what we are talking about here.

686 The {Chairman.} The gentleman's time is expired. Mr.
687 Gordon.

688 Mr. {Gordon.} Thank you, Mr. Chairman. Very briefly,
689 we simply can't get there from here in terms of climate
690 change or energy independence without new technologies and
691 some of which are going to have to be transformational. So
692 that is going to be expensive. Chairman Waxman, under many
693 legitimate demands, simply was not able to carve out, you
694 know, enough money in this bill for the type of research that
695 we need because through no fault of his own, it is just there
696 are other demands. And this is another way to try to
697 leverage those funds. I think it is very important that we
698 do so.

699 And to my friend from Florida, we are really getting a
700 little picky about appropriations here. I mean, the fact of
701 the matter is the appropriations, if they want to appropriate
702 more money than is authorized, they can do it, and they do it
703 sometimes. Oftentimes we say such sums as appropriators deem
704 necessary. So there may be concerns to be had, but I don't
705 think the sums that the appropriators are going to be, you
706 know, going wild is one of those.

707 And so again, I think this is, you know, this is an
708 important way to try to leverage to a goal that unanimously I

709 think we would all agree upon and that is energy
710 independence.

711 Mr. {Stearns.} Will the gentleman yield to a question?

712 Mr. {Gordon.} Certainly. Certainly.

713 Mr. {Stearns.} You mentioned such sums as may be
714 necessary.

715 Mr. {Gordon.} No, I am saying that is often done with
716 legislation.

717 Mr. {Stearns.} Okay.

718 Mr. {Gordon.} And again, it is always subject to the
719 appropriators. Also, the appropriators sometimes authorize
720 or appropriate more money than is authorized.

721 Mr. {Stearns.} I understand.

722 Mr. {Gordon.} So I don't think that we have to be that
723 concerned about this as a check and balance.

724 Mr. {Stearns.} Just as a question, how much money do
725 you think this is going to take based upon your argument that
726 the appropriators can appropriate more money if necessary?
727 Is there anybody in this room that knows how much we are
728 talking about here?

729 Mr. {Gordon.} I don't think anybody can answer that
730 until you get further down the road.

731 Mr. {Stearns.} Can we ballpark it? I mean, are we
732 talking about half-a-billion or half-a-trillion? I would

733 think somebody in this room with this amendment could at
734 least give us an idea what we are talking about.

735 Mr. {Gordon.} There are going to be transformational
736 types of energies that we can't think of now. If you were to
737 take something that we know of, for example, taking
738 nanotechnology and combining it with solar, then you could
739 probably put, you know, a price tag on that.

740 And I think that what we are having here is we are not
741 saying spend as much money until you make the breakthrough.
742 There are still going to be limitations, you know, and there
743 is going to be more than one type of project. And so there
744 may very well be two projects that are affordable and you
745 make breakthroughs. There may be a third that is, you know,
746 transformational, but it is going to be too expensive and
747 this Congress is just simply not going to vote that much
748 money for it.

749 So I mean, ultimately, we will have the final say, and I
750 think that is going to be based upon monies available and as
751 well as what we feel is the cost-benefit ratio.

752 Mr. {Stearns.} Well, just one last question. After
753 this passes us and is passed and the President signs it, it
754 is not going to come back to us. It will be left open-ended,
755 and as such sums as may be necessary I don't think is prudent
756 considering the fiscal situation we are in. And I would

757 think the authors of the amendment would at least struggle to
758 find some amount of money and put that in with a request that
759 they come back to Congress if they need more than that.

760 Mr. {Gordon.} I think that is a legitimate request. I
761 would also say that, you know, this is the Committee markup.
762 The Senate is going to be working on this. We are going to
763 go to conference. I think that we should take the best ideas
764 on this project as it moves along. I think we all have the
765 same objective, energy independence. If you want to put a
766 little kicker on that, climate change is a nice little
767 addition to that. But we all share that objective, and this
768 is one way to get there. Let us put it out there, continue
769 to talk about it, and find the best way to implement it. And
770 I probably don't have anything to yield back but I do if I
771 could.

772 The {Chairman.} The gentleman yields back his time.

773 Mr. {Walden.} Mr. Chairman?

774 The {Chairman.} Who seeks recognition?

775 Mr. {Walden.} Mr. Chairman, I seek to strike the last
776 word.

777 The {Chairman.} The gentleman from Oregon is
778 recognized.

779 Mr. {Walden.} Thank you, Mr. Chairman. I would like to
780 ask Counsel a couple of questions. There was a comment made

781 by I believe the gentleman from Michigan, my dear friend, the
782 former Chairman of the Committee, about that the generators
783 would pay the fees that would go into this fund that would be
784 one source. Could you show me who those generators are and
785 what limitations there are in those fees?

786 {Counsel.} There are no specific generators listed in
787 the provision.

788 Mr. {Walden.} So the fund that is created here, I
789 believe on page 8, line 13, authorization of appropriations
790 and all that, so when it talks about such funds as necessary
791 to carry out that subtitle, these would all be only from
792 taxpayers? These would be taxpayer-appropriated funds?
793 There is no fee money that would go into that?

794 {Counsel.} Are you referring to Subsection B there?

795 Mr. {Walden.} Yes, I am.

796 {Counsel.} Sir, those are appropriated funds.

797 Mr. {Walden.} Appropriated funds

798 {Counsel.} Referred there.

799 Mr. {Walden.} So the only money that would go into this
800 Clean Energy Investment Fund would be taxpayer dollars,
801 correct? No?

802 {Counsel.} That is not correct.

803 Mr. {Walden.} So what are the other sources that would
804 go into that fund?

805 {Counsel.} Under Section 194(a), as previously
806 mentioned, there was such amounts as are deposited in the
807 fund under this subtitle. Subtitle (a) creates a revolving
808 funds, so under--

809 Mr. {Walden.} And then it invests in a portfolio, is
810 that right?

811 {Counsel.} On page 24, Section 197 refers to direct
812 support.

813 Mr. {Walden.} Right.

814 {Counsel.} Which would include the issuance of loans,
815 letter of credit, loan guarantees, insurance products, and
816 other credit enhancements or debt instruments.

817 Mr. {Shimkus.} Would the gentleman yield on that on
818 your point? Right here, Mr. Walden. But to Counsel, it
819 doesn't mean the industry is not compelled to put money into
820 this fund.

821 {Counsel.} I was just saying that repayment loans would
822 go into the revolving fund.

823 Mr. {Walden.} Right.

824 Mr. {Shimkus.} As to his point, industry is not
825 compelled to put money into this fund?

826 Mr. {Walden.} There is no requirement that industry put
827 any money into this fund, is there?

828 {Counsel.} I don't believe there is any requirement

829 that anyone put money into the fund.

830 Mr. {Walden.} So it is a fund with an open-ended
831 authorization, right, and so there is no limitation on how
832 much appropriators could or the Congress could dump into this
833 fund, correct?

834 {Counsel.} Such sums as are appropriated.

835 Mr. {Walden.} Okay. And then the other fees that come
836 in are because out of this revolving fund, this advisory
837 board or this new entity is going to invest in new
838 technologies by granting loans, correct?

839 {Counsel.} Loans and other forms of assistance that are
840 listed.

841 Mr. {Walden.} And of those loans then as they get paid
842 back, this advisory board can assess fees on those loans,
843 correct? On page 8 I believe.

844 {Counsel.} My understanding of the provision--

845 Mr. {Walden.} Line 22, page 8.

846 {Counsel.} --too, refers to administrative expenses.

847 Mr. {Walden.} So they can assess any level of
848 administrative expense on these loans, correct? There is no
849 limitation on the overhead for this program, is there?

850 {Counsel.} There is at the top of page 9, B there,
851 fund, to the extent that administrative expenses--

852 Mr. {Walden.} Okay.

853 {Counsel.} --are not reimbursed through fees, an amount
854 not to exceed 1.5 percent of the amounts in the fund as of
855 the beginning of each fiscal year shall be available to pay
856 the administrative expenses for the fiscal year necessary.

857 Mr. {Walden.} Right, but that 1-1/2 percent fund
858 limitation is off of the revolving funds proceeds, correct?
859 So who do they assess the fees on?

860 {Counsel.} Amounts in the fund, that is correct, in
861 answer to your first question.

862 Mr. {Walden.} But this says to the extent that
863 administrative expenses are not reimbursed through fees, then
864 an amount not to exceed 1-1/2 percent of the amounts in the
865 fund as of the beginning of--let me switch to a different
866 question then. I note on the page here on definitions, I
867 believe it is page 7, it talks about these different terms.
868 On line 11 it talks about the state and a state and then the
869 District of Columbia. The question I want to lead up to is
870 are Indian tribes, would they be able to, if they had
871 renewable breakthrough technologies, apply for this fund, to
872 participate in this fund because you define Commonwealth, you
873 define District of Columbia, you define state? Would Native
874 Americans and the tribes be able to participate? Are they
875 expressly allowed? I didn't see that in the amendment here,
876 but it is my first time to read through it this morning.

877 {Counsel.} On page 24, Section 197, direct support,
878 that support is not limited to states or any specific
879 entities.

880 Mr. {Walden.} All right. Thank you. My time is
881 expired.

882 The {Chairman.} The gentleman's time has expired.
883 Further discussion of the amendment? In order of seniority,
884 who seeks recognition? Yes, the gentlelady is recognized
885 from Tennessee.

886 Ms. {Blackburn.} Thank you, Mr. Chairman, and I know we
887 are kind of your line of sight over here. I move to strike
888 the last word. I have a question I would like to ask of
889 Counsel, if I may.

890 On page 10 of the amendment, where you have initiative
891 (5), it is on line 19, the transformation of the building
892 stock of the United States to zero net energy consumption, I
893 was seeking clarification on that. If the objective would be
894 to move to no energy consumption in addition to a base
895 standard that would be established or referenced at some
896 point or is it just a drafting error and is to be to zero net
897 energy emissions? Seeking clarification on that.

898 {Counsel.} The term zero net energy consumption isn't
899 defined in the amendment, but this term is used in Section
900 195 which refers to deployment goals for the Clean Energy

901 Deployment Administration.

902 Ms. {Blackburn.} So, reclaiming my time there, you are
903 not sure then if it means zero emissions or no additional
904 consumption?

905 {Counsel.} The term is not defined in the amendment.

906 Ms. {Blackburn.} Thank you. I have one additional
907 question for you.

908 Mr. {Shimkus.} Will the gentlelady yield on that?

909 Ms. {Blackburn.} I will be happy to.

910 Mr. {Shimkus.} Again, so there is no baseline for which
911 we are going to project zero net energy use? We have not
912 established the baseline? Counsel, there is no baseline
913 established, is that correct?

914 {Counsel.} With respect to zero net energy--

915 Mr. {Shimkus.} Correct.

916 {Counsel.} I don't see one in this amendment.

917 Mr. {Shimkus.} So how are we going to project if we are
918 at zero net energy use if we don't establish a baseline? I
919 would ask the question to the author of the amendment.

920 Mr. {Dingell.} If the gentleman would yield.

921 Mr. {Shimkus.} I would yield.

922 Ms. {Blackburn.} I reclaim my time--

923 Mr. {Dingell.} Our purpose here is--

924 Mr. {Shimkus.} Oh, I am sorry. It is not my time.

925 Ms. {Blackburn.} I reclaim my time, and I yield to the
926 gentleman from Michigan because I think is a central point of
927 what we are trying to figure out. Is it no new emissions, is
928 there a standard that is laid down somewhere that we can have
929 no further consumption? Then what is considered a primary
930 consumption, and for clarification, I yield to the gentleman
931 from Michigan.

932 Mr. {Dingell.} Well, I think this is an important
933 point, but I think we want to stimulate both. And so having
934 said that, I think the sensible thing to do is to see to it
935 that we stimulate both. If we start establishing baselines
936 and trying to define which we are going to put money into, we
937 may very well find that we are denying ourselves the growth
938 of new opportunities and new kinds of energy resources.

939 Ms. {Blackburn.} Reclaiming my time. I thank the
940 author of the amendment for that, but I would like to suggest
941 that before we move forward that we decide if there is a
942 standard that we can generate no consumption passed a certain
943 point or if there is a baseline from which we are building
944 and saying we do not want to go above that or people are
945 going to have to buy carbon credits; or if we are trying to
946 move the building stock toward a zero emissions, I would just
947 seek further clarification on that issue, and the authors of
948 the amendment, I would love to hear from them. Or let us set

949 it aside and come back to it when we have a definition that
950 says this is what we are going to expect of our building
951 construction community in this country.

952 Mr. {Inslee.} Will the gentlelady yield for a moment,
953 please?

954 Ms. {Blackburn.} I do yield to the gentleman from
955 Washington.

956 Mr. {Inslee.} The intent of this, if you look at this
957 language, this is not talking about zero net energy
958 consumption in the United States. It refers to the
959 transformation of the building stock of the United States to
960 zero net energy consumption. What that refers to is
961 basically evaluating a house or an office building, rather
962 than the entire United States, and what the goal is, and we
963 are not there yet but this is an inspirational goal, is to
964 build our homes so that they don't use net energy. Now those
965 homes exist today in the United States. I visited some on a
966 little place called Lopez Island, Washington, a couple weeks
967 ago. It is a low-income housing development, and they have
968 built houses that, through a combination of photovoltaic
969 energy and passive solar and straw bale construction that
970 does passive solar heating, they use no net energy in that
971 home through a combination of good insulation, passive solar,
972 and photovoltaic. That is the aspiration that this refers

973 to.

974 Ms. {Blackburn.} Reclaiming my time since I am almost
975 out, and I appreciate the gentleman's explanation of that. I
976 would just ask then if the project that he is referenced with
977 the home, in Section 196, the Clean Energy Deployment
978 Administration and the administrator of the administration
979 that will be appointed by the Secretary, would it be their
980 task to decide what is hitting that standard of that new
981 building stock with the zero net energy consumption? Is
982 your--

983 Mr. {Inslee.} No.

984 Ms. {Blackburn.} Is your objective--

985 Mr. {Inslee.} No, will the gentlelady yield for a
986 moment?

987 Ms. {Blackburn.} I do yield.

988 Mr. {Inslee.} That is not our intention. That
989 administrator will not be setting standards for building
990 codes. What the language suggests, however, is that the
991 administrator will look potentially for technologies that
992 could help us toward the goal of obtaining buildings with
993 maximum building efficiency. So this will not have them
994 setting any minimum standards for our housing or buildings
995 whatsoever. It will suggest that we should look for
996 technologies that could help us in that direction. That is

997 the only reason the language is there. Thank you.

998 The {Chairman.} The gentlelady's time has expired. Is
999 there further discussion of the pending amendment?

1000 Mr. {Shimkus.} Mr. Chairman?

1001 The {Chairman.} Who seeks recognition? The gentleman
1002 from Illinois.

1003 Mr. {Shimkus.} Thank you, Mr. Chairman. Strike the
1004 last word. Thank you, Mr. Chairman. I guess a couple
1005 questions I have, one would be on page 5, to Counsel, line
1006 19, 20 and 21, it says technology related to the production,
1007 use, transmission, storage, control and conservation of
1008 energy, would the carbon capture and sequestration qualify
1009 under that terminology?

1010 {Counsel.} This definition doesn't specify specific
1011 technologies. The Clean Energy Deployment Administration
1012 would have to interpret this language and implement it.

1013 Mr. {Shimkus.} Thank you. So I think what would have
1014 been helpful is if in the drafting of this amendment as my
1015 colleague from Washington State did, and he listed various
1016 items that these funds could go to that they would be, and if
1017 we get to a point of modifying and clarifying this amendment,
1018 it probably could be helpful to have some of these listed
1019 down. Then you could do and others that may be not. I guess
1020 the concern is that this may be all new technology focused,

1021 and the concern is what about current technology that is
1022 being tested but not deployed. We all know that carbon
1023 capture sequestration is probably 10 years down the road. A
1024 lot is riding on this bill, and the electricity cost of
1025 millions of Americans based upon whether this technology is
1026 available or not. So I would hope that carbon capture and
1027 sequestration is part of that.

1028 I want to go back to these two funds again. We have two
1029 funds, one which the appropriators and one the generators of
1030 the fund, and the question is, obviously the appropriator's
1031 funds come from general revenue through the appropriation
1032 process. The generators of the fund, is that money coming
1033 from dollars through the cap-and-trade system by which then
1034 will be allocated through the Secretary to these new emerging
1035 technologies?

1036 {Counsel.} There is no provision in this amendment for
1037 allowance value from Title VII to go to this Administration.

1038 Mr. {Shimkus.} So where are the dollars from the
1039 generators of the fund coming from?

1040 {Counsel.} Section 194 again specifies that it would be
1041 either through appropriations or amounts deposited into the
1042 fund under the subtitle.

1043 The {Chairman.} Will the gentleman yield to me?

1044 Mr. {Shimkus.} I will.

1045 The {Chairman.} As I understand it, you have
1046 appropriated funds, and then the other funds from generators,
1047 repayment of loans. Is that the correct understanding?

1048 {Counsel.} That and fees, Mr. Chairman. That is
1049 correct.

1050 The {Chairman.} Fees. Now who would pay the fees?

1051 {Counsel.} The fees would be paid under (c)(2), the
1052 fees would be paid either by those receiving financial
1053 assistance or if necessary, out of the fund.

1054 Mr. {Shimkus.} So you are borrowing money and you are
1055 going to repay the loan and then you have to pay fees and the
1056 fees are part of this fund? To Counsel or to Chairman or--

1057 Mr. {Inslee.} If I may help, if the gentleman yields
1058 for a moment, the intent of the fees are the interest and the
1059 loan payments basically and the fees associated with
1060 administering the loan. That was the intent of the language.
1061 There is no hidden fee structure or obligation in the bill.

1062 By the way, one other thing if I can, Mr. Shimkus, there
1063 is one thing I think I wanted to make sure you were aware of
1064 in the bill because you have raised this issue a couple times
1065 about coal. If you look at page 26, this bill is very much
1066 technology-neutral. All God's children of inventors can
1067 participate in this fund. But it does have a prioritization
1068 if you look at the bottom of page 26. It basically provides

1069 that funds will be prioritized to provide the maximum
1070 practical percentage of support to promote breakthrough
1071 technologies. It is oriented toward trying to move forward
1072 to new non-commercialized technologies. It is my belief that
1073 coal sequestration fits within that classification. The
1074 money would be available.

1075 Mr. {Shimkus.} I appreciate that but my time is almost
1076 expired, and I wanted to ask one more question, and the
1077 concern is--and this is just a statement why I am in
1078 opposition to this bill--the 30 percent of the financial
1079 support available which the Ranking Member of the Energy
1080 Subcommittee, Mr. Upton, was talking about is way too low an
1081 amount for nuclear power, new technologies in nuclear power.
1082 I think that is the same issue that was addressed in what the
1083 Senate amendments had a concern of, and I think if we want to
1084 really be in support of the expansion of nuclear power, that
1085 percentage has to be changed.

1086 Mr. {Markey.} Will the gentleman yield?

1087 Mr. {Shimkus.} My time is expired.

1088 Mr. {Dingell.} I ask unanimous consent to let the
1089 gentleman have 2 additional minutes.

1090 The {Chairman.} Without objection.

1091 Mr. {Shimkus.} Chairman Emeritus, I would yield to my
1092 colleague, Mr. Markey.

1093 Mr. {Markey.} I thank the gentleman very much, and I am
1094 just going to follow up on what the gentleman from Washington
1095 just said. Yes, there is a limitation of 30 percent for any
1096 one technology, and for the sake of the discussion, that
1097 might be nuclear technology. But that also then opens up the
1098 fund for carbon capture and sequestration advanced technology
1099 as well which is also of interest to our committee because we
1100 are trying to create a balanced, long-term energy portfolio
1101 for the country but it would not limit it to that. As well,
1102 it also would open it up for renewable technologies. So
1103 again, we are not trying to allow any one of our energy
1104 technologies to be the only basket that we are relying upon.
1105 So yes, carbon capture and sequestration, in order to advance
1106 coal technology, is something that will benefit from this,
1107 and by not allowing one technology, nuclear to gobble it up,
1108 in totality it does allow for coal to be a beneficiary, yes.
1109 I yield back to the--

1110 Mr. {Dingell.} Would the Chairman yield to me?

1111 Mr. {Markey.} I would yield.

1112 Mr. {Dingell.} I want to thank the gentleman. He
1113 raises a good point, and I think the Committee does need to
1114 understand this. If you go to page 8, you will find the
1115 Clean Energy Investment Fund is the subject of our
1116 discussion. That is Section 194. There will be a Clean

1117 Energy Investment Fund that is here referred to, and it will
1118 be composed of such amounts as are deposited in the fund
1119 under the subtitle. That is from fees and things of that
1120 kind. And then such other sums as may be appropriated so
1121 supplement the funds. And so then from that comes the money.
1122 That comes through at line 13, authorization of
1123 appropriations. And then you come down under (c),
1124 expenditures from fund, and the amounts of the fund shall be
1125 available to the administration for obligation without fiscal
1126 year limitation to remain available until expended. Then you
1127 go on down, you got (2) which is the administrative fees. So
1128 you have different sources of money, some of which are fees
1129 and things of that kind, some of which are appropriated
1130 funds, and the Secretary spends them to make loans and things
1131 of that kind for purposes of the Act.

1132 Mr. {Shimkus.} And I know my time is expired, Mr.
1133 Chairman. A lot of fees. Fees will be passed on to the
1134 rate-payers, and I yield back.

1135 The {Chairman.} The gentleman's time has expired. Is
1136 there further discussion of the pending amendment? The
1137 gentleman from Kentucky.

1138 Mr. {Whitfield.} Thank you very much, Mr. Chairman. We
1139 appreciate very much the time spent on this amendment because
1140 those of us particularly who represent coal areas have a lot

1141 of concerns about this bill, but in the base bill we
1142 establish a carbon storage research corporation, and it is my
1143 understanding that there is going to be like a billion
1144 dollars a year for 10 years available for research on carbon
1145 capture and sequestration. And then in this amendment, and I
1146 just want to verify this, under former Chairman Dingell's
1147 amendment, clean energy technology would include carbon
1148 capture and sequestration as well? I would ask the Counsel
1149 that question.

1150 The {Chairman.} Well, let us see if the authors of the
1151 amendment--Mr. Inslee, do you have an answer?

1152 Mr. {Inslee.} Yes, as I expressed to Mr. Shimkus,
1153 carbon sequestration would be in my understanding of this
1154 covered. A prioritization would be given--

1155 Mr. {Whitfield.} You said it is your understanding.
1156 Are you emphatic about it?

1157 Mr. {Inslee.} Yes, I mean, it is in the bill. It
1158 covers all technologies that have the capacity of reducing
1159 carbon emissions associated with energy. And I believe that
1160 would include technologies that sequester carbon from coal-
1161 fired plants. I see nothing to indicate it would not.

1162 Mr. {Whitfield.} So under the base bill we have the
1163 carbon storage corporation, that money, and then applications
1164 would be accepted under this amendment for carbon capture and

1165 sequestration?

1166 Mr. {Inslee.} That is my understanding, and it is our
1167 intent. Now, I want to say again, there is a prioritization
1168 for the breakthrough parts.

1169 Mr. {Whitfield.} And who makes that? Who sets that
1170 priority?

1171 Mr. {Inslee.} The governing entity which is defined in
1172 the bill, and I believe coal could competed, sequestered coal
1173 could compete on the same grounds with any other technology--

1174 Mr. {Whitfield.} But the priorities would be
1175 established by those appointed to serve on the advisory--

1176 Mr. {Inslee.} That is correct. This amendment does not
1177 in any way indicate that just because coal has another
1178 billion-dollar fund to mean they are not eligible under this
1179 one. It is eligible under this fund.

1180 Mr. {Whitfield.} It will obviously depend upon the
1181 advisory counsel. And just to summarize this once again,
1182 money can be appropriated for this purpose, for this new
1183 entity within the Department of Energy, and then interest
1184 generated by the loans made, that is where the fees would
1185 come from that is referred to in here as well, and then there
1186 are administrative costs that they say can come from the
1187 general fund, and that money would be transferred on a
1188 monthly basis. Is that true?

1189 Mr. {Inslee.} That is my understanding, and perhaps we
1190 should make sure Counsel was answering your question
1191 accurately. That is generally my understanding. There is a
1192 combination of general fund money to get this fund going, and
1193 there will be repayment of loans that are made by the
1194 borrowers, the borrowing technologies, together with the
1195 principal and interest and there may be some sub-fees which
1196 the group may charge which are classified, quote, as fees in
1197 the bill. But those would be the two sources of funds in the
1198 bill.

1199 Mr. {Whitfield.} But there is a provision in here that
1200 if administrative fees cannot be met or it cannot be paid,
1201 there is not adequate funding for it, then money would just
1202 be taken from the general fund for that purpose. Is that
1203 correct?

1204 Mr. {Inslee.} That is my understanding. Excuse me,
1205 with this caveat, when you say taken from the general fund,
1206 all of this is subject to appropriations of the United States
1207 Congress and signature by the President. So these people are
1208 not just going to reach into the till and grab money. It has
1209 to all be appropriated.

1210 Mr. {Whitfield.} It says to the extent that
1211 administrative expenses are not reimbursed through fees, an
1212 amount not to exceed 1.5 percent of the amounts in the fund

1213 as of the beginning of each fiscal year shall be available to
1214 pay the administrative expenses. And then it says, the
1215 amounts required to be transferred to the fund under this
1216 section shall be transferred monthly from the general fund.
1217 But it is your understanding that that is money
1218 appropriated--

1219 Mr. {Inslee.} That is correct.

1220 Mr. {Whitfield.} --it is not money that is going to be
1221 transferred without any kind of appropriation.

1222 Mr. {Inslee.} That is correct. It is an appropriated
1223 amount, subject to appropriations' authority.

1224 Mr. {Whitfield.} Okay. Mr. Chairman, I yield back the
1225 balance of my time.

1226 Mr. {Markey.} If the gentleman would yield?

1227 Mr. {Whitfield.} I yield.

1228 Mr. {Markey.} Just so we clarify this, I think
1229 everything that the gentleman from Washington State has said
1230 is true, carbon capture and sequestration can qualify under
1231 its own program or under this program. That is defined on
1232 page 5, down at the bottom which is a new, clean energy
1233 technology needs a technology related to the production, use,
1234 transmission, storage, control, or conservation of energy.
1235 Carbon capture and sequestration would qualify, and on page
1236 30 of the amendment, there is a definition of how that fee

1237 structure should work, but it is principally an
1238 appropriations process that would be used for funding,
1239 although the revenue generated from the fees could also be
1240 used.

1241 Mr. {Dingell.} The gentleman's time has expired.

1242 Further discussion of the amendment? Mr. Buyer.

1243 Mr. {Buyer.} I move to strike the last word.

1244 The {Chairman.} The gentleman is recognized. I would
1245 ask my good friend, Mr. Dingell, as I was looking on page 5
1246 of the definitions at the bottom for clean energy technology,
1247 and as I listen to your co-sponsors talking about this is
1248 meant to be technology neutral, and I was looking at the
1249 eligibility criteria for different activities. So as I note
1250 under clean energy technologies, you are seeking a technology
1251 and you are hoping that it would be then, you call it,
1252 breakthrough. It could be a step ahead, it would be next
1253 generation. And the gentleman is a supporter of nuclear
1254 energy. The issue regarding nuclear reprocessing or
1255 recycling of spent nuclear fuel, would that be a clean energy
1256 technology as I read at the bottom of A and then it goes on
1257 the top of page 6. It would be that type of technology that
1258 stabilizes atmospheric greenhouse gas concentrations through
1259 a reduction, avoidance or sequestration, energy-related
1260 emissions and reduces the need for additional energy supplies

1261 by using existing energy supplies with greater efficiency.
1262 And that would be the reprocessing of spent nuclear fuel,
1263 would it not?

1264 Mr. {Dingell.} I have to say that that is probably the
1265 case.

1266 Mr. {Buyer.} I thank the gentleman. I yield back.

1267 Mr. {Dingell.} Any further discussion? Are we ready
1268 for the question? Yes, the gentleman from Arizona, Mr.
1269 Shadegg. For what purpose do you seek recognition?

1270 Mr. {Shadegg.} To strike the requisite number of words.

1271 The {Chairman.} The gentleman is recognized.

1272 Mr. {Shadegg.} First, to ask Counsel a question,
1273 looking at page 3, lines 13 through the bottom of the page
1274 and going onto page 4, there is a discussion of prevailing
1275 wages on projects. Is that a requirement of Davis-Bacon
1276 wages?

1277 {Counsel.} I am sorry, would you repeat the question?
1278 I couldn't hear you.

1279 Mr. {Shadegg.} Looking at page 3 of the amendment,
1280 there is beginning at line 13, subsection K, it says wage
1281 rate requirements, and then it goes down and talks about the
1282 payment of wages at rates not less than those prevailing on
1283 projects of a character similar to the contract work in the
1284 civil subdivision of the state in which the contract work is

1285 to be performed. And then it goes on. Is that a Davis-Bacon
1286 wage requirement?

1287 {Counsel.} Really, that refers the Davis-Bacon
1288 language, yes.

1289 Mr. {Shadegg.} Thank you very much. Turning to page 5
1290 and to this language under subsection (4) of the clean energy
1291 technology, and following up on the question by my colleague,
1292 Mr. Shimkus, who asked you specifically about carbon capture
1293 and sequestration of coal and you indicated that that might
1294 be but is not clearly stated as one of the clean energy
1295 technologies. Would hydrological power be listed or be
1296 included in this definition?

1297 {Counsel.} There is no specific technologies that are
1298 listed. There is a definition that would be interpreted and
1299 implemented by the Clean Energy Deployment Administration.

1300 Mr. {Shadegg.} So that would be subject to
1301 interpretation by the department?

1302 {Counsel.} The Clean Energy Deployment Administration
1303 would interpret this language.

1304 Mr. {Shadegg.} Okay, and they would determine whether
1305 hydropower was included or not by rule or reg?

1306 {Counsel.} I don't think there is any provision for
1307 regulations under this, but yes, they would interpret.

1308 Mr. {Shadegg.} By interpretation then. And would that

1309 be true of this series of terms, new hydropower or
1310 incremental hydropower, or in-stream hydropower. All of
1311 those would be subject to interpretation by this Agency?

1312 {Counsel.} That would be true for any specific
1313 technology.

1314 Mr. {Shadegg.} Then I would like to ask a question of
1315 the authors of the bill, any one of the authors of the
1316 amendment that might be willing to answer it. Mr. Shimkus
1317 asked whether or not this would apply to clean coal
1318 technology. I believe one of the authors indicated that it
1319 was his intent at least. I would like to ask the authors
1320 whether or not it is their intent to include as well
1321 hydrologic power, new hydrologic power, incremental
1322 hydrologic power, or in stream hydrologic power.

1323 Mr. {Dingell.} Will the gentleman yield?

1324 Mr. {Shadegg.} Certainly.

1325 Mr. {Dingell.} The fact of the matter is that is pretty
1326 much defined at (4) at page 5. I would note that Mr. Shimkus
1327 also made the observation would it cover nuclear
1328 reprocessing. It could, but I would note that one of the
1329 reasons we put the 30 percent limit is to prevent that from
1330 transpiring because we don't want one technology to soak all
1331 the money out of this particular fund.

1332 Mr. {Shadegg.} Well, reclaiming my time, I understand

1333 the 30 percent limitation, and I would agree with the
1334 gentleman that the language at the bottom of page 5 and the
1335 top of page 6 would appear to include all of the items I have
1336 listed, including the item Mr. Shimkus listed, plus all the
1337 various hydropowers that I listed. But Counsel has said all
1338 of those would be subject to interpretation. My question of
1339 the authors of the amendment, if that is their intent, I
1340 would like to know it so that is at least on the record at
1341 this hearing, and second, would they be willing at some point
1342 to consider including specific references to those types of
1343 clean technology, which will reduce greenhouse gases.

1344 Yielding yes, again.

1345 Mr. {Dingell.} Would the Chairman repeat that because
1346 there's too much racket in the back. I am not hearing the
1347 gentleman.

1348 The {Chairman.} Let us have order.

1349 Mr. {Shadegg.} I would agree with the gentleman that
1350 all of the types of energy that I listed, hydro, new hydro,
1351 incremental hydro, and in-stream hydro would appear to be
1352 included in the broad language appearing at the bottom of
1353 page 5 and the top of page 6. However, Counsel has suggested
1354 in answer to my question that that all would be subject to
1355 interpretation because none of those items are specifically
1356 listed. Therefore, my question is, is it the intent of the

1357 authors to include those so that we get that in the record,
1358 and second, would they be amenable to, at some point, listing
1359 them so that it would not be left to the vagaries of
1360 interpretation? And Mr. Markey seems to be agreeing, so
1361 maybe we can get his agreement.

1362 Mr. {Markey.} I am agreeing that the technologies would
1363 be inclusive but not exclusive.

1364 Mr. {Shadegg.} Certainly.

1365 Mr. {Markey.} So we don't want to exclude other
1366 innovative technologies. So the technologies that you are
1367 listing obviously could qualify, but we don't want any listed
1368 then be exclusive because then that would be limited to the
1369 imagination of the members of this Committee rather than the
1370 scientific and engineering community.

1371 Mr. {Shadegg.} I agree with the gentleman
1372 wholeheartedly and thank him. I yield back the balance of my
1373 time.

1374 The {Chairman.} The gentleman's time has expired. Is
1375 there further discussion? If not, let us proceed to
1376 consideration of the amendment. All those in favor of the--

1377 Mr. {Walden.} Mr. Chairman?

1378 The {Chairman.} --Dingell amendment will say aye--

1379 Mr. {Walden.} Mr. Chairman?

1380 The {Chairman.} Opposed no?

1381 Mr. {Walden.} Mr. Chairman? Just as a matter of
1382 protocol, aren't I supposed to withdraw my reservation?
1383 Which I do.

1384 The {Chairman.} The gentleman is correct. The point of
1385 order was reserved by the gentleman from Oregon has been
1386 withdrawn, and the vote has been taken.

1387 Mr. {Shimkus.} May I ask for a recorded vote?

1388 The {Chairman.} The gentleman is asking for a recorded
1389 vote. Let us proceed to a recorded vote. The Clerk will
1390 call the roll.

1391 The {Clerk.} Mr. Waxman?

1392 The {Chairman.} Aye.

1393 The {Clerk.} Mr. Waxman votes aye. Mr. Dingell.

1394 Mr. {Dingell.} Votes aye.

1395 The {Clerk.} Mr. Dingell votes aye. Mr. Markey?

1396 Mr. {Markey.} Aye

1397 The {Clerk.} Mr. Markey votes aye. Mr. Boucher?

1398 Mr. {Boucher.} Aye.

1399 The {Clerk.} Mr. Boucher votes aye. Mr. Pallone?

1400 [No response.]

1401 The {Clerk.} Mr. Gordon?

1402 Mr. {Gordon.} Aye.

1403 The {Clerk.} Mr. Gordon votes aye. Mr. Rush?

1404 [No response.]

1405 The {Clerk.} Ms. Eshoo?
1406 Ms. {Eshoo.} Aye.
1407 The {Clerk.} Ms. Eshoo votes aye. Mr. Stupak?
1408 Mr. {Stupak.} Yes.
1409 The {Clerk.} Mr. Stupak votes aye. Mr. Engel?
1410 [No response.]
1411 The {Clerk.} Mr. Green?
1412 [No response.]
1413 The {Clerk.} Ms. DeGette?
1414 Ms. {DeGette.} Aye.
1415 The {Clerk.} Ms. DeGette votes aye. Mrs. Capps?
1416 Ms. {Capps.} Aye.
1417 The {Clerk.} Mrs. Capps votes aye. Mr. Doyle?
1418 Mr. {Doyle.} Yes.
1419 The {Clerk.} Mr. Doyle, aye. Ms. Harman?
1420 Ms. {Harman.} Aye.
1421 The {Clerk.} Ms. Harman, aye. Ms. Schakowsky?
1422 Ms. {Schakowsky.} Aye.
1423 The {Clerk.} Ms. Schakowsky, aye. Mr. Gonzalez?
1424 [No response.]
1425 The {Clerk.} Mr. Inslee?
1426 Mr. {Inslee.} Aye.
1427 The {Clerk.} Mr. Inslee, aye. Ms. Baldwin?
1428 Ms. {Baldwin.} Aye.

1429 The {Clerk.} Ms. Baldwin, aye. Mr. Ross?
1430 [No response.]
1431 The {Clerk.} Mr. Weiner?
1432 Mr. {Weiner.} Aye.
1433 The {Clerk.} Mr. Weiner, aye. Mr. Matheson?
1434 Mr. {Matheson.} Aye.
1435 The {Clerk.} Mr. Matheson, aye. Mr. Butterfield?
1436 Mr. {Butterfield.} Aye.
1437 The {Clerk.} Mr. Butterfield, aye. Mr. Melancon?
1438 Mr. {Melancon.} Aye.
1439 The {Clerk.} Mr. Melancon, aye. Mr. Barrow?
1440 Mr. {Barrow.} Votes aye.
1441 The {Clerk.} Mr. Barrow votes aye. Mr. Hill?
1442 Mr. {Hill.} Aye.
1443 The {Clerk.} Mr. Hill votes aye. Ms. Matsui?
1444 Ms. {Matsui.} Aye.
1445 The {Clerk.} Ms. Matsui, aye. Mrs. Christensen?
1446 Ms. {Christensen.} Aye.
1447 The {Clerk.} Mrs. Christensen, aye. Ms. Castor?
1448 Ms. {Castor.} Ms. Castor, aye. Mr. Sarbanes?
1449 Mr. {Sarbanes.} Aye.
1450 The {Clerk.} Mr. Sarbanes, aye. Mr. Murphy of
1451 Connecticut?
1452 Mr. {Murphy of Connecticut.} Aye.

1453 The {Clerk.} Mr. Murphy of Connecticut, aye. Mr.
1454 Space?
1455 Mr. {Space.} Aye.
1456 The {Clerk.} Mr. Space, aye. Mr. McNerney?
1457 Mr. {McNerney.} Aye.
1458 The {Clerk.} Mr. McNerney, aye. Ms. Sutton?
1459 Ms. {Sutton.} Aye.
1460 The {Clerk.} Ms. Sutton, aye. Mr. Braley?
1461 Mr. {Braley.} Aye.
1462 The {Clerk.} Mr. Braley, aye. Mr. Welch?
1463 Mr. {Welch.} Aye.
1464 The {Clerk.} Mr. Welch, aye. Mr. Barton?
1465 Mr. {Barton.} Present
1466 The {Clerk.} Mr. Barton votes present. Mr. Hall?
1467 Mr. {Hall.} No.
1468 The {Clerk.} Mr. Hall, no. Mr. Upton?
1469 Mr. {Upton.} Present.
1470 The {Clerk.} Mr. Upton, present. Mr. Stearns?
1471 Mr. {Stearns.} No.
1472 The {Clerk.} Mr. Stearns votes no. Mr. Deal?
1473 Mr. {Deal.} No.
1474 The {Clerk.} Mr. Deal votes no. Mr. Whitfield?
1475 Mr. {Whitfield.} Aye.
1476 The {Clerk.} Mr. Whitfield votes aye. Mr. Shimkus?

1477 Mr. {Shimkus.} No.

1478 The {Clerk.} Mr. Shimkus, no. Mr. Shaddeg?

1479 Mr. {Shaddeg.} No.

1480 The {Clerk.} Mr. Shaddeg, no. Mr. Blunt?

1481 [No response.]

1482 The {Clerk.} Mr. Buyer?

1483 Mr. {Buyer.} I support my friend, Mr. Dingell. Aye.

1484 The {Clerk.} Mr. Buyer, aye. Mr. Radanovich?

1485 Mr. {Radanovich.} Aye.

1486 The {Clerk.} Mr. Radanovich, aye. Mr. Pitts?

1487 Mr. {Pitts.} Aye.

1488 The {Clerk.} Mr. Pitts votes aye. Ms. Bono Mack?

1489 Ms. {Bono Mack.} Aye.

1490 The {Clerk.} Ms. Bono Mack, aye. Mr. Walden?

1491 Mr. {Walden.} Aye.

1492 The {Clerk.} Mr. Walden, aye. Mr. Terry.

1493 Mr. {Terry.} Aye as well.

1494 The {Clerk.} Mr. Terry, aye. Mr. Rogers?

1495 Mr. {Rogers.} Aye.

1496 The {Clerk.} Mr. Rogers votes aye. Mrs. Myrick?

1497 Ms. {Myrick.} Aye.

1498 The {Clerk.} Mrs. Myrick votes aye. Mr. Sullivan?

1499 [No response.]

1500 The {Clerk.} Mr. Murphy of Pennsylvania.

1501 Mr. {Murphy of Pennsylvania.} Pass.

1502 The {Clerk.} Mr. Murphy of Pennsylvania passes. Mr.

1503 Burgess.

1504 Mr. {Burgess.} Aye.

1505 The {Clerk.} Mr. Burgess votes aye. Ms. Blackburn.

1506 Ms. {Blackburn.} Aye.

1507 The {Clerk.} Ms. Blackburn votes aye. Mr. Gingrey.

1508 Mr. {Gingrey.} Aye.

1509 The {Clerk.} Mr. Gingrey votes aye. Mr. Scalise.

1510 Mr. {Scalise.} Aye.

1511 The {Clerk.} Mr. Scalise votes aye.

1512 The {Chairman.} Would you call the members who have not

1513 yet responded?

1514 The {Clerk.} Mr. Pallone.

1515 Mr. {Pallone.} Aye.

1516 The {Clerk.} Mr. Pallone votes aye. Mr. Rush.

1517 Mr. {Rush.} Aye.

1518 The {Clerk.} Mr. Rush votes aye. Mr. Engel.

1519 Mr. {Engel.} Aye.

1520 The {Clerk.} Mr. Engel votes aye. Mr. Green.

1521 Mr. {Green.} Aye.

1522 The {Clerk.} Mr. Green votes aye. Mr. Gonzalez.

1523 Mr. {Gonzalez.} Aye.

1524 The {Clerk.} Mr. Gonzalez votes aye. Mr. Ross.

1525 Mr. {Ross.} Aye.

1526 The {Clerk.} Mr. Ross votes aye.

1527 Mr. {Upton.} Mr. Chairman, I am going to switch to aye.

1528 The {Chairman.} Mr. Upton.

1529 The {Clerk.} Mr. Upton is off present and votes aye.

1530 Mr. {Barton.} Mr. Chairman.

1531 The {Chairman.} Mr. Barton.

1532 Mr. {Barton.} In a show of total disorganization on our
1533 side on the first vote, I am going to switch to no.

1534 The {Clerk.} Mr. Barton is voting no. Mr. Murphy of
1535 Pennsylvania.

1536 Mr. {Murphy of Pennsylvania.} Aye.

1537 The {Clerk.} Mr. Murphy of Pennsylvania votes aye.

1538 The {Chairman.} Have all members responded to the vote?
1539 Any member wish to change his or her vote? If not, the clerk
1540 will count the vote and report it.

1541 The {Clerk.} Mr. Chairman, on that vote the yeas were
1542 51, and the nays were 6.

1543 The {Chairman.} Fifty-one ayes, 6 nos. The amendment
1544 is agreed to. Who seeks recognition?

1545 Mr. {Walden.} Mr. Chairman.

1546 The {Chairman.} For what purpose does the gentleman
1547 from Oregon rise?

1548 Mr. {Walden.} I have an amendment at the desk. Is that

1549 amendment to Title I?

1550 Mr. {Walden.} I believe it is. It is in the
1551 definitional sections.

1552 The {Chairman.} And has that amendment been made public
1553 for more than 2 hours?

1554 Mr. {Walden.} I don't know that it has been here more
1555 than 2 hours but it has been submitted, a full hundred copies
1556 in advance, hopefully on recycled, environmentally sensitive
1557 paper.

1558 The {Chairman.} That is very admirable.

1559 Mr. {Walden.} I am concerned about the carbon emissions
1560 for all the--

1561 The {Chairman.} Let us have an identification of the
1562 amendment before I recognize you to offer it.

1563 Mr. {Walden.} Thank you, Mr. Chairman. It would be
1564 Walden-018. At least that is the title at the top here. It
1565 was in that box we put on the table that has now disappeared
1566 from the table.

1567 The {Chairman.} We haven't seen it. The Chair will
1568 recognize the gentleman at a later time.

1569 Mr. {Walden.} Can I inquire, Mr. Chairman, as to what
1570 happened to the box of amendments that we put on the table
1571 because they are somewhere.

1572 The {Chairman.} You can inquire, but the chair does not

1573 have an answer to that.

1574 Mr. {Walden.} I hope it hasn't gone into the great
1575 biomass pile in the sky.

1576 The {Chairman.} When amendments are submitted to the
1577 clerk, a PDF is made of the amendment and circulated to all
1578 the members of the committee. That will give members an
1579 opportunity to read it in advance and think through whether
1580 they want to support it or oppose it or ask questions about
1581 it so we can have an appropriate discussion on point.

1582 Mr. {Walden.} Mr. Chairman, if I may inquire.

1583 The {Chairman.} For what purpose does the gentleman
1584 seek recognition?

1585 Mr. {Walden.} Just a question of process.

1586 The {Chairman.} The gentleman is recognized to ask a
1587 question.

1588 Mr. {Walden.} So they are available on a PDF. How would
1589 I access that here? I have got my laptop. How do I get it?
1590 I wasn't aware we would be able to look at them by PDF.

1591 The {Chairman.} As I understand it, when a member is
1592 recognized to offer an amendment, it is then sent on a PDF
1593 but it has to be submitted 2 hours in advance.

1594 Mr. {Walden.} Are those the rules of our--

1595 Mr. {Barton.} Would the gentleman from Oregon yield on
1596 this?

1597 Mr. {Walden.} I will.

1598 The {Chairman.} Before you do that, hold on for a
1599 second because I might have given you misinformation. If the
1600 gentleman would permit, you asked a question how do you get
1601 the PDF.

1602 Mr. {Walden.} Right.

1603 The {Chairman.} Now I have been informed that when an
1604 amendment is being submitted to the desk that a PDF is sent
1605 to each member's office, and then when a member is recognized
1606 to offer the amendment then a hard copy is distributed to the
1607 members here at the dais. So unless we have this amendment
1608 in advance, the chair has set out rules by which he will
1609 refuse to recognize members for an amendment that has not
1610 been made available 2 hours in advance. Now if we can get
1611 your amendment and we continue to talk about it, we might
1612 have that 2-hour time limit met but--

1613 Mr. {Scalise.} Point of order, Mr. Chairman.

1614 The {Chairman.} Who is making a point of order?

1615 Mr. {Barton.} Mr. Scalise, but I also have a question.

1616 The {Chairman.} Well, point of order is a priority over
1617 a question.

1618 Mr. {Scalise.} You just said that a member--you would
1619 refuse to recognize a member who didn't have an amendment in
1620 prior to 2 hours in advance. That is not what you had said

1621 yesterday when you and Ranking Member Barton were having your
1622 colloquy on the procedure. You said there would be a
1623 precedent given to members that had it over 2 hours but you
1624 would still recognize people who didn't have an amendment at
1625 the desk 2 hours in advance, and now you are saying that you
1626 would refuse to recognize, so what changed between yesterday-
1627 -

1628 The {Chairman.} I think there might be a
1629 misunderstanding on your part about yesterday's colloquy.
1630 Members will be recognized to offer an amendment that is
1631 pertinent to the title under consideration and/or that has
1632 been available for 2 hours. And we will not close out any
1633 title so members will be allowed to offer an amendment at a
1634 later time. We are not closing out anybody's opportunity to
1635 offer an amendment. We just simply think it is fair for
1636 members to know what is coming before it is offered. Mr.
1637 Barton, you had a question.

1638 Mr. {Barton.} I just want to point out some flaws here
1639 and ask a question. The minority submitted approximately a
1640 dozen amendments to the majority staff last night after our
1641 Republican caucus at 6:00, so they have been available for 2
1642 hours at least to the majority staff, but we haven't
1643 submitted all of those amendments to the desk this morning.
1644 Mr. Dingell's first amendment was not seen by the minority

1645 last night, but it has been circulated today. He was
1646 recognized within this 2-hour window, so we have got a
1647 situation here, if your decision point is 2 hours at the desk
1648 as opposed to 2 hours to the staff, it is going to be
1649 basically an extremely difficult markup to comply because--

1650 The {Chairman.} Will the gentleman yield to me?

1651 Mr. {Barton.} I would be happy to yield.

1652 The {Chairman.} I think I can clarify it. There were
1653 amendments submitted by your side of the aisle last night.
1654 There are only 2 of those amendments that are to this title,
1655 but all of those amendments would be subject to being called
1656 up and will meet the requirement of the 2-hour time limit.
1657 Mr. Dingell's amendment was circulated to all members last
1658 night, so it was available for members to see it. We are
1659 going title by title so members will have the opportunity to
1660 know that the subject in that title will be debated and they
1661 can be here if they want to debate that title or choose not
1662 to be here if they don't want to get involved in that
1663 particular title. So if the gentleman's amendment was part
1664 of the amendments submitted by the staff last night--

1665 Mr. {Barton.} I don't think this one was.

1666 The {Chairman.} Okay.

1667 Mr. {Walden.} If I might, Mr. Chairman, no, it was not.
1668 We were busy photocopying and working with legislative--

1669 The {Chairman.} We are going to make the amendment in
1670 order at the earliest possible time in compliance with the at
1671 least I think a process that is fairest to all members and
1672 that is--

1673 Mr. {Barton.} I don't disagree, Mr. Chairman, they
1674 should have a chance, but this 2-hour notification
1675 requirement is going to mean we might as well plan on being
1676 here all next week because we have over 400 amendments and we
1677 are changing them as we go. It is not going to be possible
1678 to put all of those amendments out at the desk in a 2-hour
1679 time frame, so you are going to create a situation where we
1680 seek recognition to offer an amendment and then just like in
1681 this case, Mr. Walden, he hasn't had it at the desk for 2
1682 hours so it is going to be deferred, and you are going to end
1683 up having about 60 or 70 amendments that are deferred till
1684 the end of the week. I don't see any way around it.

1685 The {Chairman.} I think you are painting too dire of a
1686 picture. If amendments are submitted and there are changes,
1687 conforming changes, or non-substantive changes, if they are
1688 submitted 2 hours in advance, I don't think we are going to
1689 quibble about a correction of that amendment because we will
1690 know what the amendment is all about. We took almost 2 hours
1691 on the first amendment, so I think--I don't want to predict
1692 how much time we are going to take on amendments, but if you

1693 have 400 amendments, let us see them.

1694 Mr. {Barton.} You will get to see them. We are not--

1695 The {Chairman.} And when it gets to the point--

1696 Mr. {Barton.} Title by title it is going to take a

1697 while.

1698 The {Chairman.} When it comes to a title, I would urge

1699 that members start getting your amendments in on the earlier

1700 titles first so that we can get them considered, but we are

1701 not going to preclude any amendments. Who has an amendment?

1702 Mr. {Walden.} Mr. Chairman, can I get one other

1703 clarification?

1704 The {Chairman.} Yes, Mr. Walden.

1705 Mr. {Walden.} If I might.

1706 The {Chairman.} The gentleman is recognized, yes.

1707 Mr. {Walden.} So if we are working on amendment to your

1708 amendment in the nature of a substitute, and as we were

1709 having that discussion, for example, on this authorized fund

1710 in the last amendment, and a member wanted to put a cap on

1711 that fund, say, offer an amendment, a secondary amendment of

1712 a billion dollars on that fund, would that type of amendment

1713 also then under your proposed--your protocols require a 2-

1714 hour delay because I know as we marked up other bills--

1715 The {Chairman.} Well, if the gentleman would permit, an

1716 amendment to an amendment would not be in order.

1717 Mr. {Walden.} All right.

1718 The {Chairman.} Because we have an amendment pending.

1719 Mr. {Walden.} Okay. Then if we, for example, had
1720 adopted this last amendment, as we did, in a bipartisan way,
1721 somebody then would have to come back and try to amend that
1722 later and it would be a 2-hour delay to amend that, is that
1723 accurate?

1724 The {Chairman.} I think that would be accurate.

1725 Mr. {Walden.} Okay. And just one final question.

1726 These are not actually rules of the committee, correct? This
1727 is a process you are just working through.

1728 The {Chairman.} These are not the rules of the
1729 committee but the inherent power of the chair for recognition
1730 can be used in a way that would promote the orderly process
1731 of debate and amendments, and we are trying to establish that
1732 procedure.

1733 Mr. {Stearns.} Parliamentary inquiry.

1734 The {Chairman.} Who is making the parliamentary
1735 inquiry? The gentleman from Florida.

1736 Mr. {Stearns.} Let us say we get through Title I and we
1737 are on Title IV and somebody has an amendment to Title I, are
1738 you going to allow members to go back and amend Title I?

1739 The {Chairman.} I don't want to be rigid and say that
1740 they can't at that point, but I would expect that if you have

1741 passed up Title I that the appropriate time to offer an
1742 amendment to Title I will be at the end of the bill because
1743 we do want to go Title I, II, III, in sequence, and it
1744 wouldn't be helpful to members to take them by surprise on an
1745 amendment on Title I after we just completed Title IV.

1746 Mr. {Stearns.} No, I understand that, but you offer an
1747 amendment, let us say, at noon for Title I, and it is
1748 Thursday, and you had 2 or 3 hours, could the member then go
1749 back and amend Title I with this? Are you allowing that?

1750 The {Chairman.} On Thursdays the rules are different.
1751 The question of the gentleman is whether hypothetically on
1752 Thursday or some other day during the markup, even though we
1753 have gone beyond the number of titles, would we then return
1754 to Title I?

1755 Mr. {Stearns.} That is the question.

1756 The {Chairman.} And I would think that we will
1757 definitely return to Title I and amendment will be in order
1758 after we have completed all the titles. I would think that
1759 is the fairest way to proceed, but I don't want to say
1760 absolutely rigidly because in consultation with Mr. Barton
1761 and others, we may think it just makes a lot of sense. It is
1762 an amendment that has been agreed to. So just give me a
1763 little leeway and we will try to make this whole process
1764 work.

1765 Mr. {Stearns.} And I certainly will, and I understand
1766 that, but in protocol in historical--could a person in a full
1767 markup, hasn't it been historically that a person could go
1768 back to Title I and offer an amendment even though it was
1769 past amendment 1? Haven't we done that in the past?

1770 The {Chairman.} Well, it depends on the process. If we
1771 are considering a bill title by title an amendment may be
1772 offered to Title I, and after all amendments have been
1773 offered to Title I, the title is closed, but we are not
1774 proceeding on that basis.

1775 Mr. {Stearns.} Okay. Thank you.

1776 Mr. {Walden.} Mr. Chairman, one other parliamentary
1777 inquiry.

1778 The {Chairman.} Yes. The gentleman is recognized.

1779 Mr. {Walden.} So that we can help with the process you
1780 are establishing. Would it be asking too much then of the
1781 staff to notify us of when the amendments were received by
1782 your office? In other words, we drop off a box of
1783 amendments, I don't know at what point that 2-hour clock
1784 starts. I know when I dropped it off.

1785 The {Chairman.} We would be happy to do that.

1786 Mr. {Walden.} That way we cannot call up amendments
1787 that aren't--

1788 The {Chairman.} We would be happy to do that.

1789 Mr. {Walden.} Thank you, sir.

1790 The {Chairman.} The chair seeks recognition for someone
1791 who has an amendment to Title I that has been submitted 2
1792 hours in advance. Yes, the gentleman from Michigan, Mr.
1793 Rogers.

1794 Mr. {Rogers.} Thank you, Mr. Chairman.

1795 The {Chairman.} For what purpose do you seek
1796 recognition?

1797 Mr. {Rogers.} To offer an amendment, amendment 601, at
1798 the desk.

1799 The {Chairman.} And is that, if the chair may inquire,
1800 an amendment to Title I?

1801 Mr. {Rogers.} Yes. I am sorry, yes.

1802 The {Chairman.} And was it submitted last night with
1803 the other amendments?

1804 Mr. {Rogers.} It meets your 2-hour requirement, Mr.
1805 Chairman, with the one exception that there was about a 2 or
1806 3 word change in the exact amendment to make it germane. It
1807 didn't change--

1808 The {Chairman.} Could you identify the amendment so we
1809 would all know which one it is?

1810 Mr. {Rogers.} It is Rogers-601.

1811 The {Chairman.} I am informed that a different
1812 amendment has been submitted by you, not that one.

1813 Mr. {Rogers.} Just as you stated, Mr. Chairman,
1814 sometimes there is perfecting language. The amendment is
1815 identical to the intent. There was a slight change, I think
1816 it is 3 words total, to make sure that it met the conditions
1817 of germaneness. The amendment is the same and they have it
1818 at the desk. The gentleman will wait.

1819 The {Chairman.} I am going to ask the gentleman to put
1820 aside this amendment temporarily while we straighten this
1821 out, and let us proceed to another amendment. Mr. Stupak,
1822 for what purpose do you seek recognition?

1823 Mr. {Stupak.} Mr. Chairman, I have an amendment that is
1824 number 070.

1825 The {Chairman.} Is this an amendment to Title I?

1826 Mr. {Stupak.} Yes, it is.

1827 The {Chairman.} And has it been distributed 2 hours in
1828 advance?

1829 Mr. {Stupak.} Yes.

1830 The {Chairman.} Or met the 2-hour time limit. The
1831 clerk will report the amendment.

1832 The {Clerk.} Amendment in the nature of a substitute
1833 offered by Mr. Stupak of Michigan. Page 93, line 11, strike
1834 January 1, 2009, and insert July 1, 2010.

1835 [The amendment follows:]

1836 ***** INSERT 2 *****

|
1837 Mr. {Walden.} I reserve a point of order, Mr. Chairman.

1838 The {Chairman.} The gentleman from Oregon reserves a
1839 point of order. The amendment has been read. The gentleman
1840 from Michigan is now recognized for 5 minutes.

1841 Mr. {Stupak.} Thank you, Mr. Chairman. Mr. Chairman, I
1842 will be very brief on this. H.R. 2454 lays out, successfully
1843 lays out, a cap and trade system by its very nature will
1844 provide economic incentives for carbon reduction. While I
1845 was not involved in the original negotiations or this
1846 section, the new source standards could eliminate any further
1847 development of coal-fired generation around the country. In
1848 Michigan because of our--

1849 Mr. {Barton.} Mr. Chairman, we are having a debate on
1850 an amendment we don't have.

1851 The {Chairman.} The gentleman from Michigan will
1852 suspend. Do we have a hard copy distributed?

1853 The {Clerk.} It is coming, Mr. Chairman.

1854 The {Chairman.} Okay. Let us hold off until--

1855 Mr. {Barton.} We are debating a second Democrat
1856 amendment in a row and this one we don't even have it at the
1857 desk.

1858 The {Chairman.} The copies are coming.

1859 Mr. {Barton.} That is the fairest way to do things, Mr.

1860 Chairman.

1861 The {Chairman.} Well, I think you make a very good
1862 point, and we will suspend until you have the amendment.

1863 Mr. {Stearns.} Mr. Chairman, a point of inquiry, Mr.
1864 Chairman. Just a point of inquiry.

1865 The {Chairman.} Mr. Stearns.

1866 Mr. {Stearns.} Now does this 2-hour rule apply to your
1867 side too?

1868 The {Chairman.} Yes.

1869 Mr. {Stearns.} So that means if your side suddenly
1870 wants to amend their own--as a result of discussion here, we
1871 have a debate, and they suddenly realize they make a mistake
1872 in their bill, they want to amend their own amendment, they
1873 won't be able to do it without a 2-hour delay?

1874 The {Chairman.} The chair is going to have to deal with
1875 real situations instead of hypotheticals. Let us see if we
1876 can get this thing to work.

1877 Mr. {Barton.} Well, Mr. Stupak's amendment is not even
1878 at the desk, Mr. Chairman. I think I am probably for Bart's
1879 amendment based on what little I read about it, but it is
1880 not--Greg's was at the desk, Mr. Rogers was at the desk, but
1881 Mr. Rogers' can't be found.

1882 The {Chairman.} The chair will indicate that the
1883 amendment is at the desk. It is now being distributed. The

1884 gentleman from Michigan has asserted that his amendment was
1885 submitted 2 hours in advance. We have indication from our
1886 staff, and would be interested if your staff has other
1887 information to the contrary. If not, this appears to be an
1888 amendment that would be in order under the rules that we are
1889 operating under.

1890 Mr. {Barton.} That you created.

1891 The {Chairman.} I am now going to recognize the
1892 gentleman from Michigan for 5 minutes to speak on his
1893 amendment.

1894 Mr. {Stupak.} Thank you, Mr. Chairman. As I said, I
1895 will try to speed this up. Mr. Ross and I were trying to
1896 figure out with all these amendments, we figured, and our
1897 math is not the best but it is going to take 33 days and 8
1898 hours to get through all these amendments at the current rate
1899 we are going, so let me try to expedite this a little bit.
1900 On this amendment here, Mr. Chairman, this is one we had a
1901 chance just to speak about briefly, and you had promised to
1902 work with me on this and because of my schedule, not yours,
1903 but because of my schedule, we could not put much more time
1904 on it and so what I would like to do is just offer this
1905 amendment, and then I am going to withdraw it because talking
1906 with your staff this morning, there is some more documents I
1907 want to produce to try to see if we can't get some exception.

1908 And the reason why I am doing this maybe we can work
1909 this one out before we get much further, but in Michigan we
1910 are one of those states that require or rely on coal-fired
1911 generation for our electrical, and right now because most of
1912 our coal-fired generation is over 50 years old many of these
1913 companies are going through a process of reapplying and
1914 putting new plants on line. The date in the bill is January
1915 1, 2009. Michigan has made some changes in their process
1916 which has delayed and resulted in some delay for some of
1917 these folks who are going through the permitting process. So
1918 since we did not know that January 1, 2009, was going to be
1919 the date that Michigan has some different wrinkles they are
1920 putting in their process, I think it would be unfair to tell
1921 these people they have to go back to rules that they were not
1922 aware of. There has been some changes in the process in the
1923 State of Michigan. So with those representations and with
1924 your willingness to work on this a little bit to see if we
1925 can't work something out, I would withdraw this amendment at
1926 this time and continue to work with you.

1927 The {Chairman.} I appreciate what the gentleman is
1928 suggesting. The gentlelady from Virgin Islands, Ms.
1929 Christensen, wanted to speak on this amendment. Oh, you have
1930 an amendment. Okay. The gentleman withdraws his amendment,
1931 and I certainly do pledge to work with you and to see if we

1932 can--

1933 Mr. {Stupak.} I look forward to continuing to work with
1934 you on it and withdraw my amendment. I ask unanimous
1935 consent.

1936 The {Chairman.} Without objection, the amendment is
1937 withdrawn.

1938 Mr. {Walden.} Mr. Chairman.

1939 The {Chairman.} Who is seeking recognition?

1940 Mr. {Walden.} I need to withdraw my reservation on the
1941 amendment, I believe, as part of the process.

1942 The {Chairman.} Okay. You don't really need to, but if
1943 you want to that is fine. For what purpose does the
1944 gentleman from Nebraska seek recognition?

1945 Mr. {Terry.} You should have Terry amendment number 3
1946 at the desk.

1947 The {Chairman.} Is that amendment to Title I?

1948 Mr. {Terry.} Yes, and it was delivered over 2 hours
1949 ago.

1950 The {Chairman.} Does the clerk have the amendment to
1951 report it?

1952 The {Clerk.} I don't see the amendment, Mr. Chairman.

1953 The {Chairman.} All right

1954 Mr. {Terry.} Mr. Chairman, if I may, there was a
1955 process where many staffers delivered in boxes to people that

1956 were, we thought, representing the clerk.

1957 The {Chairman.} Mr. Terry, your--

1958 Mr. {Terry.} It appears to me that all of ours haven't
1959 been recognized but yours have.

1960 The {Chairman.} Mr. Terry, if you would permit. Let us
1961 take a half hour break. Let the staffs coordinate--

1962 Mr. {Terry.} There is something very wrong right now.

1963 The {Chairman.} And let us see if we can understand
1964 what amendments are ready to go. Mr. Barton, are you--

1965 Mr. {Barton.} I just want to point for especially my
1966 friends on the majority side, they think that maybe we are
1967 sandbagging you. Maybe you are not thinking that, but it
1968 wouldn't surprise me if you thought we were. We are turning
1969 these amendments in. There is some young staffer out in the
1970 hall somewhere that literally has to apparently typeset in
1971 the entire written amendment into a computer and that
1972 doesn't--so if we hand an amendment here to the desk, which
1973 we are doing, that doesn't count apparently. You got to take
1974 it out in the hall and this young man or young woman works
1975 like a little eager beaver out there actually typing it in,
1976 and it doesn't count apparently till he gets it in the
1977 computer. So there may be a thousand pages of amendments
1978 outside. You got a system that is not going to work, Mr.
1979 Chairman.

1980 The {Chairman.} Well, you make a good point. Let us
1981 find out what the eager beavers are doing. Let us let our
1982 staff coordinate this, and when we get back we will be, I
1983 hope, ready to proceed in an orderly way. So we will break
1984 now and members, if they wish, can have a half hour to grab a
1985 bite to eat but no more than a half hour.

1986 [Recess.]

1987 The {Chairman.} The meeting will come back to order. I
1988 hope in this recess period we have had an opportunity to
1989 clarify getting amendments in order so we can consider them.
1990 I understand that all amendments that have been submitted
1991 before the recess are ready to be offered, so we have got a
1992 lot of work and a lot of amendments ready for us to work on.
1993 Mr. Rogers, you have an amendment. Could you give us the
1994 number on that amendment?

1995 Mr. {Rogers.} Mr. Chairman, it is 601.

1996 The {Chairman.} The gentleman is recognized to offer
1997 his amendment. You have an amendment at the desk, Mr.
1998 Rogers. The clerk will report the amendment.

1999 The {Clerk.} I apologize, Mr. Chairman. His name was
2000 not on the amendment, but we know where it is. Hang on one
2001 second.

2002 The {Chairman.} Would you report the amendment?

2003 The {Clerk.} Yes, sir. Amendment to the amendment in

2004 the nature of a substitute offered by Mr. Rogers. After
2005 section--

2006 The {Chairman.} Without objection, the amendment will
2007 be considered as read, and the gentleman from Michigan is
2008 recognized to explain his amendment.

2009 [The amendment follows:]

2010 ***** INSERT 3 *****

|
2011 Mr. {Rogers.} Thank you, Mr. Chairman. I think this is
2012 incredibly important as we move forward. I think we can all
2013 agree that a clean, sustainable, and energy policy that
2014 reduces our dependence on foreign oil is all important and
2015 something that we can all agree on. I think how we get there
2016 is incredibly important, and we have some very serious
2017 differences. One of the things that we know by reading this
2018 bill--

2019 Mr. {Barton.} Could you suspend because we still don't
2020 have the amendment. We need to let the members have it.

2021 The {Chairman.} We don't have our computers handy for
2022 the PDF.

2023 Mr. {Barton.} I don't understand. We should and must
2024 have a distribution of the amendment.

2025 Mr. {Shimkus.} Mr. Chairman.

2026 The {Chairman.} Who is seeking recognition?

2027 Mr. {Shimkus.} Mr. Shimkus from Illinois.

2028 The {Chairman.} Mr. Shimkus. For what purpose do you
2029 wish to be recognized?

2030 Mr. {Shimkus.} I think they found the amendment. I was
2031 going to suggest we just read the amendment while they are
2032 looking and that would expedite the process.

2033 The {Chairman.} Well, we have already waived the

2034 reading, but I did want members to have it in front of them
2035 and that is now being passed out, so we will start all over
2036 again, and I yield 5 minutes to the gentleman from Michigan.

2037 Mr. {Rogers.} Thank you, Mr. Chairman. As I said
2038 earlier, this is incredibly important that we get this right,
2039 and we can all agree that clean, sustainable energy and an
2040 energy plan that reduces our dependency on foreign oil is
2041 incredibly important. But here is what we know that this
2042 bill that sits before us will do. It will increase the
2043 average consumer's electricity rates. It will. As a matter
2044 of fact, there are provisions in the bill to try to figure
2045 out how they help the poorest of the poor pay for it even
2046 though it is not very--if you read it, it is very complicated
2047 and good luck in ever getting your money.

2048 The second thing it will do is increase unemployment.
2049 It is in the bill. They actually have a whole section
2050 dedicated to set up a whole different fund separate from
2051 unemployment insurance to try to pay people as long as 52
2052 weeks for losing their jobs because of the passage of cap and
2053 trade in the bill. Both of those things are in the bill.
2054 And in Michigan we are awful proud. We think we helped
2055 create the middle class with manufacturing and the automobile
2056 business. Nobody is feeling the pinch of this as our
2057 families in Michigan with all of the pressures now on

2058 manufacturing and the ability for them to compete in a
2059 worldwide market. So you are going to increase their ability
2060 to cost of energy. That is definitely going on. You are
2061 going to decrease their ability to compete and their
2062 unemployment is going up.

2063 And here is the most frustrating part of it. There are
2064 2 nations who have been absolutely pursuing manufacturing
2065 increases in their own countries at a rapid pace, both China
2066 and India. And they won't sign on to anything of the sort
2067 because they have got millions and millions of people to
2068 employ. They have already started weighing in on stealing
2069 our manufacturing jobs, and, guess what, they are going to do
2070 it some more. Just give me a second on these numbers. China
2071 now leads the world in greenhouse gas emissions. As our
2072 manufacturing was going down, as our intensity of cleaning
2073 the air was going up, by the way, they have been seeking coal
2074 plants, nuclear plants, and they are absolutely pursuing our
2075 manufacturing base. They want to build stuff in China
2076 because they know that means the middle class is working.

2077 India's carbon emissions are rising faster than nearly
2078 every other nation on the planet according to the EIA.
2079 Between 1980 and 2006 the country's carbon output increased
2080 by 341 percent. That is a greater rate of increase than that
2081 of China, 312 percent, Brazil, 103 percent, Indonesia, 238

2082 percent, and Pakistan, 272 percent, and in the same time
2083 period imagine the growth that we had between 1980 and 2006
2084 in our manufacturing sector. We just went up 23 percent.
2085 Why? Because we employ a lot more people but through
2086 intensity of cleaning emissions, we were winning that game.
2087 So we had a way to clean our air, to clean our environment,
2088 and employ people. At the end of the day, if we have to
2089 invoke half of the sections in this bill, I don't know how
2090 you pay for it.

2091 They even created a separate section for job losses in
2092 the public sector, so does that mean if a police officer
2093 loses his job because the factory in the town closed, and
2094 that they can't afford the tax base revenue anymore and they
2095 have to lay off firefighters and police officers? We all
2096 have to pitch in and pay for that too? According to this,
2097 yes, and according to this bill they know it is coming. That
2098 is why they created a separate section for public employees
2099 who lose their jobs because of cap and trade. The darnedest
2100 thing is that Europe tried this and it is not working very
2101 well. We actually beat them in intensity in the same time
2102 period they had a cap and trade regime.

2103 So there is a better way to get to clean air, but the
2104 least we ought to do in the face of putting the pressure we
2105 have on working families in my state, in my district, and all

2106 around this country is say we are at least going to give you
2107 a fighting chance. We shouldn't just wholesale allow China
2108 and India to steal our manufacturing base and steal your job
2109 and your future and rob us of a middle class because they
2110 want one awful bad. That is why they won't sign on to this.
2111 This bill is very simple. It says that China and India, if
2112 they don't sign on by the time this Act is implemented, that
2113 this Act is delayed. It is a competitive issue. Do not, do
2114 not eliminate our middle class and send it to China and
2115 India. That is what this bill will do.

2116 My amendment ways wait up. If you want to try this at
2117 least let us have a level playing field in China and India
2118 who we know are having these emission increases and actively
2119 pursuing our manufacturing base should be on the same level.
2120 Don't disadvantage the people who get up every day and play
2121 by the rules who are already struggling to make their house
2122 payments, who are already struggling to make their electric
2123 bill payments. One in 5 families in America today are behind
2124 over 30 days in their electric bill, 1 in 5, 1 in 3 in
2125 Michigan. You pass this bill, I can't tell you who high that
2126 is going to be. You are going to have to pay for every
2127 firefighter, every teacher, every private sector person who
2128 has lost their job because of this because we cannot compete
2129 in the world anymore, and I would urge the adoption of this

2130 amendment.

2131 The {Chairman.} The gentleman's time has expired.

2132 Anyone seek recognition? Mr. Markey.

2133 Mr. {Markey.} Thank you. In opposition to the
2134 amendment. Thank you, Mr. Chairman. Mr. Chairman, there is
2135 no doubt that ultimately we do have to bring all of the
2136 world's emitters, including countries like China and India,
2137 into a worldwide framework for reducing greenhouse gases and
2138 the impact that they have on the planet. Todd Stern, the
2139 President's able envoy is already in the process of beginning
2140 those discussions with China and with India. But most of us
2141 recognize that unless the United States and Europe, which
2142 have been historically the world's largest emitters, and
2143 since CO2 is cumulative up there, that we have to show
2144 leadership. China, without question, is now an emitter at
2145 world class levels, but if we want to go to Copenhagen with
2146 the ability to be able to begin serious negotiations with the
2147 Chinese and the Indians, we must demonstrate that we are
2148 serious about this issue as well.

2149 In the legislation because of the efforts of Mr. Doyle
2150 and Mr. Inslee, there is language which is going to ensure
2151 that we protect the trade sensitive, energy intensive
2152 industries like steel and aluminum and paper and other trade
2153 sensitive industries so that we build a transition, and we

2154 have worked very hard with each one of those sectors in order
2155 to make sure that that protection is there. Similarly, we
2156 also are going to have this bill referred to the Ways and
2157 Means Committee. We do not have jurisdiction over tariffs.
2158 However, it is our intention and the Ways and Means
2159 Committee's intention to devise a tariff schedule at the
2160 point at which the allocation for the protection of these
2161 trade sensitive industries is beginning to phase out so that
2162 countries, and we will say for purposes of this discussion
2163 that they might be India and China, are trying to take
2164 advantage of our industries because of our compliance and
2165 their non-compliance, that an appropriate tariff can be
2166 established in order to ensure that those countries are
2167 properly paradoxed and policed.

2168 And so the choice that we have is not whether or not we
2169 anticipate that. We do in this legislation. The question is
2170 whether or not having anticipated it, we now stop and not try
2171 to take advantage of this huge economic opportunity. What we
2172 also know is that China is now the largest exporter of solar
2173 technology in the world. They are targeting this separate.
2174 Germany's second largest export after automobiles is now wind
2175 turbines. So this is a huge sector that could mean 3 to 5
2176 million jobs for the American economy. And what we have done
2177 in the legislation is create a transition, create a bridge,

2178 also ensure that at the end that countries that do not comply
2179 are not going to take advantage of our industry, but
2180 meanwhile we will be capturing this incredible opportunity to
2181 create this new manufacturing sector for our economy. And I
2182 would reject this amendment--

2183 Mr. {Upton.} Will the gentleman yield?

2184 Mr. {Markey.} --because it basically would make it
2185 impossible for us to move forward with the kind of
2186 aggressiveness that we need to in order to capture this great
2187 technological opportunity, which our country should be the
2188 leader of.

2189 Mr. {Upton.} Would the gentleman yield for a question?

2190 Mr. {Markey.} I will be glad to yield.

2191 Mr. {Upton.} Hearing your opposition to this amendment,
2192 would you accept the amendment if we put maybe a 5-year, that
2193 they had to certify that within 5 years they would have from
2194 date of enactment that they would agree to a similar
2195 standard?

2196 Mr. {Markey.} We have carefully constructed in the
2197 legislation a set of protections for our industries that
2198 these industries have embraced as a group formula, and they
2199 also understand that there will be a tariff that will also be
2200 imposed in the event of a violation, so we intend on going
2201 forward. For countries that are not going to comply, we will

2202 have a system in place that does not allow them to take
2203 advantage of the fact that they are not in compliance. So
2204 there is no need for us to pull out because we would be
2205 pulling out of a technological revolution. It is that we
2206 will make sure that other countries do not exploit the fact
2207 that we are moving forward, and this formula that we have in
2208 the legislation makes that possible.

2209 Mr. {Blunt.} Mr. Chairman.

2210 The {Chairman.} The gentleman's time has expired. Who
2211 seeks recognition? Mr. Blunt.

2212 Mr. {Blunt.} Thank you, Mr. Chairman. Mr. Chairman, I
2213 am supportive of the amendment and actually more supportive
2214 after the subcommittee chairman made his comments. I mean he
2215 made the point that discussions are under way. That sounds
2216 like a good thing so if discussions are underway and whoever
2217 is having those discussions is as capable as Mr. Markey
2218 suggested they were, maybe they produce result and this
2219 problem is solved. He also made the point that CO2 is
2220 cumulative in the atmosphere, so what you do is you take a
2221 job from our country where we do regulate utilities in a
2222 significant way and send it to any other country that has
2223 less of a regulation than we do particularly the 2 countries
2224 Mr. Rogers mentions in his amendment. You actually increase
2225 the amount of CO2 going into the air. Mr. Markey mentioned

2226 that China is leading in producing solar technology and solar
2227 equipment. I would suggest that they are producing that
2228 equipment in factories that have very little, if any,
2229 concern about what goes into the environment out of that
2230 factory.

2231 The net gain of the solar equipment they produce may
2232 actually not be there at all because of what they put in the
2233 atmosphere to produce that very equipment. So if all you do
2234 is send jobs out of this country into any country that has
2235 less of a current standard that we do, you are actually
2236 making the problem greater, not smaller. This bill actually
2237 has a negative impact in the amount of CO2 going into the
2238 atmosphere, not a positive impact, and if CO2 is bad, it is
2239 just as bad coming from China, India or anywhere else as it
2240 is from here. And then I hear the discussions, well, we are
2241 going to solve this with protections and tariffs in a
2242 recessionary environment. There are no economists that I am
2243 aware of that doesn't believe that that is the very language
2244 that extended the depression in the 30s was we did all the
2245 wrong things. We went into a protectionist, tariff-oriented
2246 economy, and it took years to emerge from that economy.

2247 And then even if tariffs would do some offsetting of the
2248 jobs that we lost here by raising prices for what people buy
2249 here prices go up then for what people buy here and what is

2250 the traffic impact in our country on the global marketplace.
2251 So the Chinese and the Indians produce something a lot
2252 cheaper because they are less concerned about how their
2253 utilities are produced and then we have a tariff on that
2254 product coming in to this country, which makes it harder for
2255 us to buy but it doesn't make it harder for anybody else in
2256 the world to buy.

2257 And their position in the global marketplace is
2258 enhanced. Our consumers pay more. I am trying to figure out
2259 what American family benefits from that situation. More CO2
2260 in the air, higher prices for Americans, and lower prices for
2261 our competitors in a global economy. That is why Mr. Rogers'
2262 amendment makes so much sense, and if these discussions are
2263 underway and they are going to produce a result, fine, the
2264 amendment would have no impact. If they don't produce
2265 result, the failure to have an amendment like this does all
2266 of the wrong things and doesn't do any of the right things in
2267 terms of dealing with this problem. If it is a global
2268 atmospheric problem, it is a global atmospheric solution.
2269 And the ways that we are supposedly protecting America's
2270 environment are offset by the very things that Mr. Rogers
2271 tries to prevent in his amendment, and I support it.

2272 The {Chairman.} Will the gentleman yield to me for a
2273 question?

2274 Mr. {Blunt.} I would.

2275 The {Chairman.} I don't understand that argument you
2276 made that we will have more carbon emissions if this
2277 amendment weren't adopted. If we--

2278 Mr. {Blunt.} Could I try to explain it?

2279 The {Chairman.} Yes, please do.

2280 Mr. {Blunt.} If an American company like the aluminum
2281 company in southeast Missouri that has said if the original
2282 bill passed they would have to leave the country. If they go
2283 to a country that has less of a standard than we currently
2284 have on pollutants of all kinds then they are producing their
2285 product in a country with less standards than we have today.
2286 That sends more pollutants into the environment. Not only do
2287 we lose the jobs, but we actually lose the effort to try to
2288 make the environment more secure from these things that some
2289 people feel strongly or having an impact, and that is what I
2290 mean by that. And I would yield back my 2 seconds, Mr.
2291 Chairman.

2292 The {Chairman.} The gentleman's time has expired. The
2293 chair will recognize himself. Your argument seems to be that
2294 companies will move to China because of their lower
2295 environmental requirements. What Mr. Markey explained is
2296 that there is no reason for them to have to move. They could
2297 stay here and still be competitive even if a company in China

2298 or India didn't meet the same standards that we had because
2299 we would help our companies that are sensitive to trade be
2300 able to continue in business and stay viable. We do that
2301 under the amendment--

2302 Mr. {Shadegg.} Will the chairman yield?

2303 The {Chairman.} No, no, I am still talking. We do that
2304 under the amendment that we have adopted to provide benefit
2305 to those industries that would otherwise be at a competitive
2306 disadvantage, and we expect that the Ways and Means Committee
2307 will give another opportunity to keep our people viable in
2308 competition with other companies, so we don't have to have
2309 people from America leave, but what bothers me about this
2310 amendment is that we are going to let some other country
2311 decide our fate. We want our fate to be decided by
2312 Americans. We want to be able to have our nation develop all
2313 the industries that are going to be developed and all the
2314 jobs that are going to be developed as we move to cleaner
2315 energy policy.

2316 We want America not to be beholding to foreign countries
2317 for whom we have to import oil, and that is the purpose of
2318 the whole bill. More jobs, more independence, and we believe
2319 that will give us an opportunity to go to Copenhagen and lead
2320 and get other countries to follow us. But to say that if
2321 China or India doesn't do exactly what we do, we are not

2322 going to do anything either. This is where we have been for
2323 the last 8 years. I don't think that is going to bring
2324 success either on making us less dependent on importing oil
2325 or more advanced in technology. The status quo is helping
2326 others beat us because we are not putting the effort into
2327 developing the technology here at home to allow Americans to
2328 decide our energy fate.

2329 So this is about investing, building, and selling the
2330 technologies of the future. We need this bill for our own
2331 economic security, and we shouldn't say we are going to shoot
2332 ourselves in the head because China or India is not doing
2333 what we want them to do. We are just punishing ourselves.
2334 So I would--

2335 Mr. {Shadegg.} Will the gentleman yield

2336 The {Chairman.} I would urge opposition. Who is asking
2337 me to yield? Yes, Mr. Shadegg.

2338 Mr. {Shadegg.} Just 2 points to add to a point Mr.
2339 Blunt made. It is certainly the belief of many of the
2340 members on this side to try to clarify Mr. Blunt's point that
2341 many plants here in the United States are more efficient,
2342 more modern, and will produce less carbon dioxide on their
2343 own, including any plant in the United States versus a plant
2344 even in Mexico, so that if you move a plant out of the United
2345 States, you move it to Mexico or China or elsewhere, you will

2346 actually produce more carbon dioxide. The second point I
2347 want to--

2348 The {Chairman.} Let me stop and reclaim my time on that
2349 point. I don't believe that will be the case. I don't think
2350 there will be a reason why they will want to take advantage
2351 of lower standards in China or India for an American company.

2352 Mr. {Shadegg.} I think the point I wanted to make--

2353 The {Chairman.} Excuse me. It is my time. I want to
2354 yield to Mr. Doyle because this was the concern he very much
2355 raised and was the source of the reason for the amendment
2356 that is incorporated in this bill.

2357 Mr. {Doyle.} Thank you, Mr. Chairman. This is
2358 something that concerned many of us on the committee greatly.
2359 I come from Pittsburgh. U.S. Steel is headquartered there,
2360 Alcoa, one of the largest aluminum companies in the world
2361 headquartered in Pittsburgh. To take the example that Mr.
2362 Blunt has, we have looked at these carbon intensive
2363 industries that have global competition and said what can we
2364 do to level the playing field when their competitors are in a
2365 climate change regime. We have addressed this specifically
2366 in the bill. We have set aside 15 percent of the allocation
2367 to these carbon intensive industries that have trade
2368 sensitive concerns and said we are going to give an output
2369 base rebate. What we are doing in this bill is we are

2370 looking at the industry sector average, how much carbon does
2371 an industry put in the air? Let us take steel, for instance,
2372 when they make a ton of steel. And what we are saying to the
2373 U.S. steel companies is if you are at the average or better,
2374 you are going to get 100 percent of all your emission costs
2375 in this bill rebated to your company. Starting in 2014 when
2376 the caps go in and extending all the way to 2025--

2377 The {Chairman.} Mr. Doyle, I just want to ask you one
2378 question before my time runs out. If we didn't have this
2379 bill, are steel and the other industries doing well? It
2380 seems to me they are running into a difficult situation right
2381 now in competition, and this legislation will allow them to
2382 compete and we can accomplish the goals that we are trying to
2383 achieve.

2384 Mr. {Doyle.} This is going to allow us to continue to
2385 make cleaner steel in the United States of America and level
2386 the playing field with their competitors in China and India.

2387 The {Chairman.} My time has expired. Who seeks
2388 recognition? Mr. Barton.

2389 Mr. {Barton.} Thank you, Mr. Chairman. I rise in
2390 support of the Rogers amendment. I want to try to reply to
2391 some of the things that Mr. Markey and yourself and Mr. Doyle
2392 just said. Let me simply say to Mr. Doyle, don't doubt your
2393 good faith. I know how hard you are trying to protect the

2394 U.S. steel manufacturing capability and you have been able to
2395 apparently negotiate some offsets and some allowances for
2396 certain periods of time. As I understand it, though, those
2397 allowance offsets begin to fade away around the year 2025,
2398 and I am not sure when they totally phase out.

2399 Number 2, any type you set up a program where you take
2400 something away and then you give it back the government never
2401 gives back 100 percent of what it takes away. There is the
2402 famous story of the family that wanted some money, and they
2403 were very religious so they asked God to send them \$100. It
2404 landed on the Postmaster General's desk here in Washington,
2405 and he felt very sympathetic so he sent them a \$20 bill. The
2406 wife got it in the mail and when the husband came home, she
2407 said I got good news and bad news. God answered our letter
2408 but he sent it to Washington and those turkeys kept 80
2409 percent of it. It is just not going to work, Mike. I know
2410 you are trying. I also want to point out--

2411 The {Chairman.} Will the gentleman yield? Don't take
2412 the post office name in vain.

2413 Mr. {Barton.} It is just a fact, but anyway you got a
2414 Title III, which we have never seen before, and I have been
2415 trying to read it as we have gone through the markup, but in
2416 Title III you have on page 382 a requirement in Section 705
2417 that beginning in 2013 and every 4 years thereafter the

2418 Secretary of Energy and perhaps the EPA administrator have to
2419 make a report on compliance with these targets on CO2 and
2420 other greenhouse gas emissions. Those reports include a
2421 review of international actions. And on page 390 if, in
2422 fact, this report says that we are not making progress to
2423 meet this standard that is in the bill of no more than 3.6
2424 degree Fahrenheit increase in temperature from 1850, and no
2425 more than 450 parts per million of CO2 worldwide, the
2426 administrator then has to report to the Congress on
2427 additional reductions required to meet those goals.

2428 And then on page 395, the President of the United
2429 States, under Section 707 has to submit to the Congress a set
2430 of recommendations on how to force domestic additional
2431 reductions to meet the requirements that are not being met
2432 internationally. You are putting in place a mechanism to
2433 offset the very thing that Mr. Doyle is trying to put in.
2434 Now all Mr. Rogers is trying to do is say if we are going to
2435 set up this mechanism in Title 3 of all these allowances and
2436 we have this descending requirement for anthropogenic
2437 greenhouse gas reductions, as Mr. Markey has pointed out, CO2
2438 is CO2, whether it is produced in the United States or it is
2439 produced in China or India. India is fast approaching the
2440 United States in terms of its CO2 emissions. China has
2441 already surpassed us, so Mr. Rogers is the protect American

2442 jobs now amendment. He simply says if India and China are
2443 not doing anything, and I would point out that in China they
2444 require 3 times the amount of energy to produce 1 ton of
2445 steel.

2446 Mr. Doyle's constituents are much more efficient at
2447 producing steel than the Chinese are, but we are going to set
2448 up a situation where you shut down your steel plant in
2449 Pittsburgh or in my congressional district at Grapeland,
2450 Texas, Jewett, Texas, or Midlothian, Texas and you move that
2451 to China, to Mexico, because they don't have these
2452 requirements. And don't kid yourself, they are already
2453 contacting U.S. companies. I have companies in Texas that
2454 have already been contacted by international groups and said
2455 move your facility from Texas to--if this bill passes, so Mr.
2456 Rogers is simply saying you have got a mechanism in your bill
2457 to require reviews and assimilations internationally so you
2458 are going to be collecting the data. If that data shows that
2459 they are not doing anything to reduce their emissions then we
2460 ought to stop our program here in the United States and keep
2461 our jobs here in the United States.

2462 This is a very important amendment. It is a good yes
2463 amendment.

2464 The {Chairman.} The gentleman's time has expired. Ms.
2465 Eshoo.

2466 Ms. {Eshoo.} Thank you, Mr. Chairman. I rise in
2467 opposition to the amendment and let me say why, and I am glad
2468 that I was called on a little later rather than a little
2469 earlier because I have had the advantage of listening to the
2470 pros and cons on this. I think that this amendment long
2471 short, that is on the United States failing, and I don't
2472 believe that we are going to fail. I think we are going to
2473 win and win big. And I say that because all of the steps
2474 that need to be taken to establish a new manufacturing base
2475 in our country and protect the one that we have is protected
2476 and built upon in the bill.

2477 The bill provides for the transition, as other members
2478 have said. I was in India last year and China the year
2479 before. I don't envy them and neither should any of you. I
2480 want to tell you something. Their people are wearing face
2481 masks. Their leadership understands that if they don't get
2482 their arms around the issue of what can kill people and also
2483 kill off their future in terms of opportunities that they
2484 have to change. What has been missing in all of this is the
2485 essential leadership of the United States of America. We are
2486 a country that counts in every corner of the world, and so
2487 this legislation leap frogs us into a position of leadership
2488 in the world.

2489 So if others choose to fail, then we should take the off

2490 ramp that says on the sign Failure Avenue? I don't think so.
2491 I think that, as I do very often, that we should be first in
2492 technology. We should be first in bio-technology. We should
2493 be first in human rights. We should be first in all of these
2494 categories. That is what this bill establishes. It moves
2495 the United States of America into the number 1 position and
2496 as we do, we create opportunities for our people across the
2497 country. And, most importantly, it takes into consideration
2498 the various problems that regions of our country do
2499 legitimately have and offers in the specific title how to
2500 transition in order to get those regions and the people that
2501 live there and work there able to take advantage of what we
2502 are preparing at this table.

2503 So I don't want to take this amendment that says, you
2504 know what, if the others fail then let us follow their
2505 leadership of failure. That is what it is. And, A, we are
2506 not going to fail at this. This is going to be a boon for
2507 the United States of America in the 21st Century, but other
2508 countries are going to follow because they are going to
2509 understand that they don't want to miss out on the gold that
2510 is in the green. I yield back.

2511 The {Chairman.} The gentlelady yields back her time.
2512 The gentleman from Michigan.

2513 Mr. {Upton.} Thank you, Mr. Chairman. As I came back

2514 from Michigan yesterday every one of my counties is double
2515 digit unemployment, every single one of them, and things are
2516 not looking better. There was a report that I saw 2 weeks
2517 ago that talked about some areas of southeast Michigan and
2518 those 3 counties over here have more people, or used to
2519 anyway, than the other 80 counties combined in Michigan.
2520 There was a report that came out, in fact, by the end of next
2521 year we might see unemployment as high as 24 or 25 percent
2522 because of the auto industry.

2523 DET, one of my largest utilities in Michigan, already
2524 has 1 in 3 customers in arrears. They think that they are
2525 going to lose as much as \$400 million to \$500 million in
2526 uncollected bills, and right now there is a new crime in
2527 southeast Michigan. It is called stealing power, people
2528 actually going out and changing the meters so that they don't
2529 have to be billed what they really use. So jobs is the
2530 issue, and the last thing that my state needs or any other
2531 state, particularly in the Midwest, and I have been down with
2532 President Obama down to Elkhart, which has the highest
2533 unemployment rate in the country, almost 20 percent. I
2534 talked to our colleague, Mark Souder, this last week. I
2535 think they lost 7,000 jobs just last week. What
2536 congressional district can afford to lose those? And for a
2537 lot of these industries, where are they going? They are

2538 going overseas or some place else. And the last thing that
2539 we can do is to tell our businesses that go, because your
2540 costs are going to be less, go, and we lose those jobs
2541 forever.

2542 It just happens to be that when you look at steel, and I
2543 give credit to our steel industry, they have done marvelous
2544 things, and again my district is in southwest Michigan so as
2545 I go to Chicago and go through Gary, the former steel capital
2546 of the world, Pittsburgh, I have been to Pittsburgh, I have
2547 seen the advances that we have made in technology, it is
2548 great. And, you know what, today in this country we emit 1/3
2549 less carbon per ton of steel than China does because we have
2550 made those investments. And so what those industries will
2551 do, and I like what Mr. Doyle has done, but I don't know that
2552 it is a complete fail safe, and that is what this amendment
2553 does. This amendment provides the assurance that in fact
2554 China and India are going to come on board.

2555 And I happen to know that some of the members of this
2556 committee I think are going next week to China. I think it
2557 is led by the Speaker. And what argument would be greater
2558 for that bipartisan codell, especially if Mr. Sensenbrenner
2559 is along with it that you, you know what, the House committee
2560 just passed this bill and by golly you guys have got to be on
2561 board whether it is by the time that the bill is enacted or a

2562 suggestion that I had to Mr. Markey that maybe it is within 5
2563 years, but, damn it, you are going to be on board, and if you
2564 are not, you are not going to see those jobs leak again from
2565 this country. I watched that picture from Mr. Shimkus that
2566 he has put up this entire last couple of months. We almost
2567 know the names of those 14,000 workers that lost their jobs
2568 when the Clean Air Act passed.

2569 They said then too we are going to have any job leaks.
2570 Well, guess what, they are gone. China is now the largest
2571 emitter that there is on the planet, and India is coming
2572 pretty close. And if we don't demand that they have the same
2573 type of criteria that we do environmentally, we are just
2574 going to see these jobs go and go and go. So this is a good
2575 amendment. If somehow it fails, I would like to think that
2576 we will come back and just give a time frame so that we can
2577 put a gun to China's head and say you are going to comply
2578 period. It will be an incentive for you to comply. We have
2579 heard from some delegations that have gone to speak to our
2580 Chinese counterparts, oh, of course they are going to comply.
2581 They can't even find hundreds of miles of the Great Wall.
2582 They just discovered 180 miles of it this last month that
2583 they didn't know was there for 2,000 years.

2584 They are putting no a new coal plant every single week.
2585 It is about time they comply with the same type of standards

2586 that we do because we don't want that carbon escape. We went
2587 to know that if we are competitive they are going to have the
2588 same rules as us, and that is why this amendment is a good
2589 one and I hope that it passes, and if it somehow fails, we
2590 still ought to have a time line so that the congressional
2591 delegation when they go there next week says comply or else.

2592 The {Chairman.} Will the gentleman yield to me?

2593 Mr. {Upton.} I would be glad to yield.

2594 The {Chairman.} It seems to me that what you are saying
2595 is that we ought to have a gun to our heads so if China
2596 doesn't comply, we fire it, and then we get nothing here and
2597 we got nothing here. And if we have no requirements here or
2598 there, it is hard for me to believe that the last 8 years or
2599 so have been good for steel and some of these other
2600 industries. I think they have relocated to China. At least
2601 this legislation will provide some protections for those
2602 industries while we take the leadership in trying to develop
2603 our own ability to control our energy destiny.

2604 Mr. {Upton.} If I could just conclude in the remaining
2605 time that we share. This provides an additional assurance
2606 that in fact they might eventually come to the table and meet
2607 the same standards that we do, and that is why it needs to
2608 pass.

2609 The {Chairman.} The gentleman's time has expired. Mr.

2610 Doyle.

2611 Mr. {Doyle.} Thank you, Mr. Chairman. Mr. Chairman,
2612 when my grandfather, Mike Doyle, come over from Ireland, he
2613 settled in Pittsburgh, Pennsylvania. He got a job in the
2614 steel industry, and he worked 41 years in the Carrie Furnace
2615 in Rankin. And my father was born, his name was Mike Doyle
2616 too, and after he come back from World War II he got a job in
2617 Edgar Thompson Steel Mill where he worked for 30 years. I
2618 spent 2 summers there, which was enough to convince me I
2619 didn't want to work in the steel mill. But in my town where
2620 I grew up and have lived all but 2 years of my life,
2621 everyone's dad in that town either worked at Union Switch and
2622 Signal or down at Edgar Thompson Steel Mill.

2623 If anybody on this committee thinks that I don't care
2624 about what happens to jobs in manufacturing in western
2625 Pennsylvania or for that matter every single member sitting
2626 over here on this side of the aisle doesn't care about that,
2627 think again, because we do. Job leakage is a very big
2628 concern of ours. So we have asked ourselves at the beginning
2629 of this, what do we do to make sure that our industries here
2630 in the United States have a level playing field against those
2631 countries that aren't yet signing on a to climate change
2632 regime. And I would like to take the time that I have to
2633 share with the members what we have done in the bill and why

2634 I believe that we have protections in this bill to guarantee
2635 a level playing field so that the situations that Mr. Barton
2636 has described and others over there, that you can at least
2637 rest assured that this is a concern of ours and that we take
2638 it very seriously.

2639 This bill starts by setting aside 15 percent of the
2640 allocations, 15 percent of the allocations for carbon
2641 intensive industries that have trade competition. We have a
2642 metric for it. We are talking mainly about the steel
2643 industry, the aluminum industry, cement, lime, and certain
2644 chemicals. If you fit this metric what we start to do in
2645 2014 when the caps start to take place, we say to these
2646 industries or if you are at average, we are going to rebate
2647 you 100 percent of your emission cost, 100 percent. If you
2648 are better than average, we are going to give you 100 percent
2649 plus. This starts at 2014, goes to the year 2025. Now the
2650 total pot of allocation goes down at a rate of 2 percent, but
2651 you consistently get 15 percent of that total pot of
2652 allocation.

2653 Now what happens in the year 2025? Well, 1 of 3 things
2654 can happen. The President at 2025 can look at the situation
2655 and say either we have got international agreements signed
2656 now with the Chinese, with the Indians, with others. There
2657 is now a level playing field. There is no longer need for a

2658 program such as this, and if that is the case the program
2659 phases out at a rate of 10 percent a year, so this rebate
2660 continues after 2025 even if the playing field is level at a
2661 rate of 10 percent. Now what happens if we haven't got an
2662 agreement with China or India, if there is still not a level
2663 playing field for our companies? The President can do 1 or 2
2664 things. He can continue this 100 percent rebate program. He
2665 can continue the program or at that time he can implement
2666 border tariffs or he can do a combination of the two.

2667 So what we have done basically for industries like steel
2668 and aluminum and cement that had these pressures that we are
2669 concerned about, we are basically holding them harmless for
2670 the next 10 years. We are giving our President something to
2671 have in his pocket when he goes to Copenhagen and says
2672 America has started down this path, now it is time for others
2673 to start down this path. It is a leverage with countries
2674 like China and India to get them started. And if they don't,
2675 if they don't, there are still tools in the President's purse
2676 after 2025 that continue to protect these industries. I
2677 wouldn't vote for a bill if I believed this was going to
2678 cause us to lose jobs in the steel industry or the aluminum
2679 industry. This bill addresses these concerns in a legitimate
2680 fashion.

2681 We are setting aside a huge allotment, 15 percent of the

2682 total allotment of this bill is going for these carbon
2683 intensive industries. So I know that you are serious. I
2684 know Mike Rogers. He is a friend of mine. He comes from a
2685 state like Michigan which is a state like mine in western
2686 Pennsylvania. We still employ 170,000 people in
2687 manufacturing in my state, and we don't want to lose a single
2688 one of those jobs.

2689 Mr. {Stearns.} Will the gentleman yield?

2690 Mr. {Doyle.} Yeah, I will yield in a second, but we
2691 address this in the bill. We are serious about it in the
2692 bill. And I want our colleagues to know that we are just as
2693 concerned as you are about the issue of job leakage, and we
2694 have made a good faith effort to do that. We have worked
2695 with the steel industry, with the steelworkers' union, with
2696 all these industries. All these stakeholders that are at
2697 risk have sat down at the table with us as we worked on this
2698 legislation, and I think you all should know that and you can
2699 see it in the bill. Yes, Mr. Stearns, I will yield to you.

2700 The {Chairman.} The gentleman's time has expired. We
2701 are going to go the Republican side. I don't know who would
2702 be next in seniority that seeks recognition. Mr. Stearns,
2703 are you seeking recognition?

2704 Mr. {Stearns.} Mr. Chairman, strike the last word.

2705 The {Chairman.} The gentleman is recognized for 5

2706 minutes.

2707 Mr. {Stearns.} Mr. Scalise, I will yield to the
2708 gentleman from Louisiana.

2709 Mr. {Scalise.} I thank the gentleman from Florida for
2710 yielding. I appreciate the gentleman from Michigan, Mr.
2711 Rogers, bringing this amendment because there has been a lot
2712 of talk about in terms of all the jobs that will be created.
2713 We have heard that before in years past, the Clean Air Act.
2714 We heard about jobs being created only to see jobs lost.
2715 This bill, as was pointed out earlier, has sections dedicated
2716 to the job losses that would occur. There are literally
2717 sections in this bill that are acknowledging that jobs will
2718 be lost in this country if this bill is to pass. In south
2719 Louisiana they have got a large steel mill that has not
2720 decided what they are going to do yet. Very large company.
2721 It is going to make a \$2 billion investment, 700 good jobs,
2722 high paying jobs. It is a steel mill that will be built
2723 somewhere in this world, and they haven't made any decision
2724 on what to do, in large part waiting to see what happens with
2725 this bill.

2726 And if cap and trade passes, they are going to go and
2727 build that plant in another country, and they are going to
2728 take that \$2 billion of investment, and they are going to
2729 take those 700 jobs and send them to another country. The

2730 difference is, and it was pointed out again earlier, the
2731 carbon that would be emitted if you really do feel that
2732 carbon is creating problems on this earth, the carbon that
2733 will be emitted in those other countries will be higher
2734 because they don't have the environmental standards that we
2735 have in this country today.

2736 So make no mistake about it. If this bill passes, there
2737 are already companies that are making contingency plans about
2738 taking jobs to other countries, taking billions of dollars of
2739 investment to other countries. That is right. Even in tough
2740 economic times there are companies today ready to create new
2741 jobs, ready to invest billions of dollars, but they are going
2742 to be making those decisions based on policies that come out
2743 of Washington, and if Washington passes policies that don't
2744 allow them to compete in this country, they are still going
2745 to create those jobs but they are going to create the jobs in
2746 other countries, and the real irony is for people who feel
2747 that they are doing something to save the planet by passing
2748 legislation like this, it is actually going to be counter
2749 intuitive because this legislation will run off jobs to other
2750 countries that emit more carbon for doing the exact same
2751 thing as is done here in this country, and we have got a
2752 classic example of that right now in south Louisiana.

2753 So you want to create 700 good high paying jobs in the

2754 United States with \$2 billion of private investment or do you
2755 want that money, those jobs, that investment, going to
2756 another country? Literally, the fate of those types of jobs
2757 are literally going to be decided by the passage or failure
2758 of a cap and trade energy tax, and so make no mistake about
2759 it, there are high consequences. There are companies today,
2760 and maybe they are getting ready to take those free
2761 allowances, maybe they have been negotiating in all these
2762 secretive meetings for the last few weeks to get these free
2763 allowances so that they can start planning their exit
2764 strategy.

2765 This buys them 10 years to slowly phase out of the
2766 United States, and don't think they are not going to do it
2767 because they are already sitting around talking about it.
2768 And so whether they are going to move their company out of
2769 this country later on after their free allowances run out or
2770 they are just not going to make the investment and build the
2771 plant today in the United States depending on what happens in
2772 this bill, that is what is at stake, and so I support this
2773 amendment.

2774 Mr. {Stearns.} Reclaiming my time. I think no one on
2775 this side does not respect your sincerity, but I wanted Mr.
2776 Scalise to tell you right promptly that there is a clear case
2777 that a steel company, and you are talking about steel, is

2778 ready to move to Brazil, and I think he made the case very
2779 well. The other thing that you mentioned in your speech was
2780 that the President will have the option in 2014 to practice
2781 protectionism, that he can go in and increase tariffs. You
2782 don't think businessmen and women in this country who are
2783 involved, who see this legislation coming down the line, are
2784 not going to wait--do you think they are going to wait till
2785 2014? They are going to make their steps early, and you are
2786 basically agreeing with the Rogers amendment by saying, well,
2787 we agree with you but we don't want to agree with you until
2788 2014 when the President can exercise protectionism. And with
2789 that, let me yield to Mr. Murphy, who is also from
2790 Pennsylvania.

2791 Mr. {Murphy.} I thank the gentleman. I do want to
2792 bring this up and remind the committee as we have discussed
2793 this issue of China how many hearings we have had on the
2794 China issue, so when it comes to trusting them, I would just
2795 like to remind ourselves of how we don't. We have had
2796 hearings and discussed how they put lead paint in toys, vinyl
2797 lunch box with lead, fungus contaminated food, reused
2798 chopsticks, unsafe color additives, baby bottles with
2799 ingredients that can alter a child's hormones, pacifiers with
2800 carcinogenic chemicals, teething toys with toxic chemicals,
2801 poison dog food. They violate copyrights on our music and

2802 recording. They send over inferior steel pipe, fungus in
2803 diapers, counterfeit drugs. They have hacked into our
2804 computer, manipulated our currency, spied on our country,
2805 broken the laws of steel dumping, and now we trust them? I
2806 would like to know where this came from.

2807 They also sell bombs to be used against our troops in
2808 Iraq. And the President, who at one point campaigned on the
2809 point of Buy America, said he opposed any measure of
2810 protectionism on the stimulus package. So I don't know where
2811 the new religion is coming from. We also notice that at a
2812 time when we did have tariffs on steel dumping in this
2813 country that China continued to manipulate their currency, so
2814 even after the tariffs were taken off, we still ended up with
2815 other problems, so I am still concerned about where China is
2816 suddenly coming to this metamorphosis.

2817 The {Chairman.} Gentleman's time has expired.

2818 Ms. {Schakowsky.} Mr. Chairman.

2819 The {Chairman.} Ms. Schakowsky?

2820 Ms. {Schakowsky.} Some of us on this panel are old
2821 enough to remember when there was another young president
2822 years ago who promised that we would be leaders and we would
2823 put a man on the moon in 10 years. He didn't say well, we
2824 are going to do our best and maybe we will get there. We
2825 will try. He said we will do that, and he triggered this

2826 incredible spirit of innovation in our country. All kinds of
2827 people from students to entrepreneurs to researchers began
2828 that project, not just of putting a man on the moon, but
2829 putting the United States of America back in a leadership
2830 position in innovation and technology. And it happened.

2831 What I see in this amendment is in an innovation
2832 stopper. I feel the spirit of innovation crackling in my
2833 district. And I am from Illinois, and we have lost jobs over
2834 the years. But over the break, I went to a place called E
2835 and C Electric in my district who does developing the smart
2836 grid and actually expanding its work and finding customers
2837 overseas who want to buy their products.

2838 I hosted a nanotechnology roundtable with all these
2839 really smart, young scientists, and businesses that are
2840 looking for workers right now to be able to carry--to bring
2841 their products to development and a sales force and only wish
2842 that more of our students could be skilled in--and these are
2843 not graduate or post-graduate degrees. I am talking about
2844 junior college certificate students that could be working in
2845 these fields.

2846 We are going to be creating new markets in places like
2847 China and India, people who want to buy our products. And I
2848 think I want to associate myself with what Representative
2849 Eshoo said. That we are betting on U.S. failure in the field

2850 of innovation and leadership. And this kind of amendment
2851 will put a stop to the direct that we are going in where we
2852 can succeed and be leaders again--

2853 Mr. {Markey.} Will the gentlelady yield?

2854 Ms. {Schakowsky.} --and have a cleaner environment. I
2855 would be happy to yield.

2856 Mr. {Markey.} Will the gentlelady yield? I thank the
2857 gentlelady for yielding. You know, let us get real here for
2858 a second. There were 204,000 steel workers in 1990. There
2859 are 154,000 steel workers today. We are losing those jobs
2860 already. What Mr. Doyle has pointed out to you is that there
2861 is a program that begins in 2014, when this program begins,
2862 that goes all the way up to 2025 that protects the industry,
2863 the steel industry, the aluminum industry, the paper
2864 industry, the cement industry, so they can make this
2865 transition. And after that, the program begins to decline
2866 but not at a very steep rate. But the president is left with
2867 the discretion to put even tougher protection measures on the
2868 books.

2869 So let us deal in the real world here. We are trying to
2870 give these industries the transition period they need to
2871 become competitive, and the gentleman from Pennsylvania has
2872 been talking to the steel workers, talking to U.S. steel,
2873 talking to them in terms of what they need. And I think that

2874 this side over here, if you want to engage in that kind of
2875 debate, apart from what is actually in the bill, what the
2876 industries that we are dealing with are already suffering
2877 from, the projections that we are building into the
2878 legislation so they can have a transition to this new era,
2879 then you can continue that.

2880 But it is not dealing with the real world that Mike
2881 Doyle has presented to us in terms of the way in which this
2882 program is going to actually operate. And I would like
2883 again, Mr. Doyle, if you would, to once again make that
2884 point, if you could, in terms of how vital this is to have a
2885 program to make that kind of a transition.

2886 Mr. {Doyle.} We want to secure a future. Steel
2887 industry right now--the general economy is down. Steel
2888 industry is in tough shape right now, and we want to make
2889 sure, as we look at this plants--and I still have two big
2890 operating mills in my district. Edger Thompson Steel Mill
2891 and Mont Valley Works still employs lots of steel workers in
2892 my district. And we want to make sure that they just have a
2893 level playing field with their competitors. This bill does
2894 that for them for 10 years.

2895 The reason this doesn't start until 2014, by the way, is
2896 the caps don't go into effect until 2014. So we can't rebate
2897 costs that don't happen until the year of when the program

2898 starts. So that is why the year 2014 was picked. Actually
2899 prior to 2014, their indirect costs are rebated to them. So
2900 we have done everything we can.

2901 We have sat at the table with these stakeholders, and we
2902 said, you know, how do we make sure that you have a level
2903 playing field against your competitors? We have been working
2904 on it, and there wasn't been, by the way, any secret
2905 meetings. All of you have been invited to be part of this.
2906 You all are invited to be part of helping to draft this bill,
2907 and any one of you could have been to any meetings that we
2908 had. So you had a chance to be a part of it.

2909 The {Chairman.} Gentlelady's time has expired. Who
2910 seeks recognition?

2911 Mr. {Barton.} I would ask unanimous consent that Ms.
2912 Schakowsky have two additional minutes if she would yield for
2913 a question from me.

2914 The {Chairman.} Without objection. Then the gentlelady
2915 is given two additional minutes. Would the gentlelady yield
2916 for a question?

2917 Ms. {Schakowsky.} Yes.

2918 The {Chairman.} Let me point out in response to what
2919 Mr. Doyle just said that I have been invited to participate
2920 in these talks. I can't speak for any other member, but I
2921 have been invited by Mr. Doyle, Mr. Waxman, Mr. Markey, Mr.

2922 Dingell, Mr. Boucher, and since in order to participate I had
2923 to agree to accept some version of cap and trade, I had to
2924 decline. But I was invited. I think I want to put that on
2925 the record.

2926 My question is to Mr. Doyle, number one, there is a
2927 three percent reduction from the 2005 baseline that is
2928 required in 2012. So what happens between now and 2014?

2929 Mr. {Doyle.} The caps don't go into effect on these
2930 industries, the direct costs, their direct costs, until 2014.
2931 So that is why the programs start then.

2932 Mr. {Barton.} But what happens--

2933 Mr. {Doyle.} In 2012 and 2013, they get their indirect
2934 cost rebate.

2935 Mr. {Barton.} But there is a three percent reduction
2936 under the--

2937 Mr. {Doyle.} And from 2014 to 2025, there is a two
2938 percent reduction of the total allocation pot.

2939 Mr. {Barton.} Somebody has got to reduce CO2 emissions
2940 below the 2005 limit by three percent in 2012, and some of
2941 those people are going to be in the steel industry and the
2942 aluminum industry.

2943 Mr. {Doyle.} Well, no, the industries too. That two
2944 percent reduction applies to them also. Starting in 2014,
2945 there's a two percent reduction in the total allocation pot.

2946 Nobody said that everybody isn't going to--

2947 Mr. {Barton.} The second part of my question is you get
2948 these allowances, but the allowances are to emit CO2. As I
2949 understand it, there is no protection increase. The industry
2950 has to pay that. They don't have to pay for the allowances.

2951 Mr. {Doyle.} That comes in a different section, Mr.
2952 Barton. We also look at, in the electricity section, I
2953 believe it is 35 percent of the total allocation.

2954 Mr. {Barton.} Okay, well we will come back.

2955 Mr. {Doyle.} And so that is rebated back not only to
2956 residential but also to commercial customers. So there is
2957 relief given to the industry on their utility costs in
2958 addition to the relief we give them because they have trade
2959 sensitivities and they are carbon intensive.

2960 The {Chairman.} Time has expired.

2961 Mr. {Doyle.} So we can bite out of both apples.

2962 The {Chairman.} Ms. Myrick.

2963 Ms. {Myrick.} Thank you, Mr. Chairman. I do identify
2964 with Mr. Upton's concerns, but I wanted to yield my time to
2965 Mr. Rogers please.

2966 Mr. {Rogers.} Thank you, Ms. Myrick, Mr. Chairman, and
2967 to my good friends who have been talking about the word
2968 failure. I think we both want to get to the same place. But
2969 what this bill represents is saying that we believe that

2970 innovation in America has failed and will not work. So we
2971 are going to create a very large and complicated government-
2972 mandated scheme to help you out.

2973 I mean it really points out that old notion that a camel
2974 was a horse designed by a congressional committee because
2975 what we have in here is really a whole conglomerate of
2976 different ideas. And if you got lucky enough to get at the
2977 table and you got yourself and bought yourself your
2978 industries a little bit of time, hey, man, great. Good for
2979 you, brother.

2980 But the problem is auto parts people weren't there.
2981 Small manufacturers who do medical supply components for
2982 emergency rooms are looking at this, and they weren't there.
2983 I can give you industry after industry that didn't get to sit
2984 in that room and cut a special break because what every one
2985 of you has acknowledged is this bill will hurt manufacturing.
2986 You said it. We know it. We are going to try to help them.
2987 We are going to give them a little bit of money now, knowing
2988 they have money later.

2989 And here is my problem with my friend Mr. Doyle's
2990 description. Even if they maintain that average, and I
2991 believe that you fervently believe this, but that pot gets
2992 smaller two percent every year. So what are you saying is in
2993 order to stay average, you have to shrink. When did we want

2994 our industries to get smaller? We want growth. I want more
2995 production. I want more people working. I would love to get
2996 back to 200,000 jobs.

2997 Mr. {Doyle.} Would the gentleman--

2998 Mr. {Rogers.} But here it is. Here is how they have to
2999 do it. If they don't meet those standards--yes, absolutely,
3000 it is in your bill. If they don't meet those standards, what
3001 they do is they go to Wall Street. And that has worked out
3002 well for us, hasn't it? Go to Wall Street and buy credit.
3003 So now you have a new cost in producing steel or auto parts
3004 or cars. Because we are growing, somebody likes our product.
3005 Of course, now that is more expense. I got to add that on.

3006 Mr. {Doyle.} Gentleman--

3007 Mr. {Rogers.} And here is the problem. Let me finish
3008 my thought here if I can because this notion that somehow we
3009 are preaching failure and we don't believe in innovation is
3010 simply wrong. In the time that cap and trade was in Europe--
3011 and this is incredibly important. In the time that cap and
3012 trade was in Europe, they reduced their emissions 16 percent.
3013 In that same timeframe, the United States, through
3014 innovation, not this bill, reduced it 20 percent. That is
3015 innovation. That is creativity.

3016 If we want to be for something, let us unleash
3017 innovative capability in America, not punish it. Because you

3018 know what? It is going to follow the money. So you know
3019 what they are going to do? They are going to go to Wall
3020 Street. They are going to figure out how these trades
3021 happen. We are going to buy trades and credits, and we are
3022 going to go into brokerage houses. And millions and millions
3023 and millions of dollars that would have normally stayed in
3024 communities and employed people and provided health care
3025 benefits now flow through Wall Street so they can somehow
3026 allocate these things by a government formula that may or may
3027 not work for you.

3028 And if you are sitting at the table wondering gee, am I
3029 going to keep my house next month and you look at how
3030 complicated this thing is and how you clearly state that
3031 there are going to be job losses--it is in your own bill.
3032 And by the way, in order to pay for those credits that we are
3033 going to give, those allocations, we are going to borrow more
3034 money from China. Fantastic.

3035 So we have just made it more interesting for a company
3036 to say enough is enough. I will go to China. Apparently
3037 that is where the money is. My energy costs are less. My
3038 regulatory costs are less. And that is why people are going
3039 to go, not to get away from compliance here on pollutants.
3040 They are going because their electricity bill is a lot less.

3041 So we got to pay \$3,100 and try to figure out a way to

3042 help poor people to meet that \$3,100 we know it is going to
3043 cost the average American family. Now we have increase
3044 electric costs to the companies, and our only solution is we
3045 are going to allow you to have these allocations that will
3046 get smaller in your out years of production.

3047 So you either figure it out, or you go to Wall Street
3048 and buy credit. That does not seem like a logical plan to me
3049 to help the environment or help employment. So I understand
3050 where you are going, but this is big, and it is complicated.
3051 And we don't do big, and we don't do complicated very well in
3052 the United States when it comes to the federal government.

3053 Mr. {Doyle.} Will the gentleman yield?

3054 Mr. {Rogers.} I will yield.

3055 Mr. {Doyle.} Actually output-based rebates actually
3056 encourage more production, not encourage them to produce
3057 less. Our industries here in the United States in the steel
3058 industry, we are producing a ton of steel much less--much
3059 below what the average sector is. So this, for a lot of
3060 companies in the United States, there is going to be an
3061 incentive for more production.

3062 Mr. {Rogers.} I am reclaiming my time. Your
3063 allocations are going to continue; otherwise, this doesn't
3064 work, right? Your plan doesn't work if the allocations
3065 doesn't get smaller. That is the whole notion of it. So if

3066 they continue to produce and win contracts and win jobs,
3067 eventually they are going to have to go to Wall Street to buy
3068 credits, which increases their cost, which is my whole point.

3069 In the two times that we have mandated, they mandated
3070 that homeowners had to get loans that they couldn't afford,
3071 they lost those homes, and we all almost lost ours. And we
3072 mandated that car companies had to build cars even if they
3073 weren't making money at it.

3074 So now what we are going to do--and you can see what has
3075 happened in the car industry, now we are going to do it
3076 again, only we are going to do it to everybody. And so our
3077 argument is be careful what you are doing. Let innovation
3078 work. Believe in America. It is working. It already
3079 worked.

3080 The {Chairman.} The gentleman's time has expired. We
3081 are starting some votes on the floor. Let me suggest, if
3082 this would meet the approval of the members of the committee,
3083 that we yield two minutes on the Republican side, two minutes
3084 on the Democratic side, then have the previous question, and
3085 we will vote after the votes come back because I think we
3086 have a roll call vote.

3087 Mr. {Barton.} I think there are a lot of members, Mr.
3088 Chairman.

3089 The {Chairman.} Are there a lot of members that wish to

3090 vote? Okay, well let us continue. The debate now goes to
3091 the Democratic side of the aisle. If not, who seeks
3092 recognition? Gentleman from Kentucky recognized for five
3093 minutes.

3094 Mr. {Whitfield.} Mr. Chairman, thank you very much, and
3095 I would like to congratulate the gentleman from Pennsylvania
3096 and others who, for protecting the steel industries and some
3097 other industries in this bill. And it is important that they
3098 do that. I might add it would not be necessary to protect
3099 those industries, were we not trying to implement a cap-and-
3100 trade system and a renewable mandate.

3101 But the problem that many of us have on this side of the
3102 aisle is that in this legislation, we are clearly picking
3103 winners and losers in the economy. What about those areas of
3104 the country that do not have a lot of iron and steel and
3105 aluminum? Who is going to protect them? How are they going
3106 to be protected? We know that this bill provides all sorts
3107 of subsidies for particular industries like wind and solar.
3108 But what about more traditional industries that are trying to
3109 compete?

3110 And I have heard a lot of talk today, and I have no
3111 problem with it. Obviously we want the United States to be a
3112 leader in protecting the environment. But I would add and
3113 remind everyone that Europe was the leader on cap and trade.

3114 They were out there first with cap and trade, and they
3115 testified here that they actually were producing more carbon
3116 dioxide emissions than before they adopted a cap-and-trade
3117 system.

3118 And I might add that if you read ``The Economist'' and I
3119 am sure most of you do, over the last five or six years, you
3120 will notice that the unemployment rate in Europe has been
3121 higher than almost any other sector or geographical area in
3122 the world with the exception of some underdeveloped
3123 countries.

3124 And so the concern that we have is--and we remember the
3125 Chinese who we met with and they did indicate yes, we are
3126 bringing on one new coal-powered plant every two weeks. I
3127 think Fred said one, but the ones that I talked to said every
3128 two weeks. And they also said we are not using scrubbers and
3129 we are not using carbon capture and sequestration. And the
3130 reason that we are doing it is because we already have low
3131 labor costs, and now we want our electricity costs to be
3132 lower than in America.

3133 And it is great for America to be a leader, but we want
3134 to be competitive in the global marketplace, and that is why
3135 I think this amendment of Mr. Rogers' is worth daunting,
3136 because if we go to Copenhagen and if we assert the--I mean
3137 our president is a quite popular fellow, and he is remarkably

3138 persuasive. And if he goes to Copenhagen and can persuade
3139 them to adopt similar standards that we are adopting here in
3140 America, great. Then this amendment wouldn't even be
3141 necessary.

3142 But to protect the American worker, we know that there
3143 is going to be a lot of job loss. Everyone recognizes that.
3144 Even in the president's budget, he had something like \$657
3145 billion over 10 years from cap and trade. And when Peter
3146 Orszag came to testify before Congress, he said it may be
3147 double that or three times that. But we know electrical
3148 costs are going to go up.

3149 And so I think the bottom line is we are competing in
3150 the global marketplace. And in order to do that, we have to
3151 have low electricity costs. And that is why I think this
3152 amendment is very important because it simply provides a
3153 level playing field for American employees. This is more
3154 than about American leadership. This is also protecting the
3155 jobs of the American people. And I yield back the balance of
3156 my time.

3157 The {Chairman.} Gentleman yields back the balance of
3158 his time. Who else seeks recognition? Mr. Walden.

3159 Mr. {Walden.} Chairman, move to strike the last word.

3160 The {Chairman.} Gentleman is recognized for five
3161 minutes.

3162 Mr. {Walden.} Thank you, Mr. Chairman. I have heard a
3163 lot today about protecting this specific industry or that
3164 specific industry and I find that I understand why people are
3165 moving in that direction because of the onerous effect this
3166 bill will have on those industries if they are not protected.
3167 And that is, I think, what my colleague from Kentucky, Mr.
3168 Whitfield, was saying.

3169 You know it is kind of interesting if you go back and
3170 look at the testimony of Peter Orszag, then CBO director, he
3171 is now President Obama's head of the Office of Management of
3172 Budget. He said if you didn't auction the permits, it would
3173 represent the largest corporate welfare program that has ever
3174 been enacted in the history of the United States. All of the
3175 evidence suggests that what would occur is that corporate
3176 profits would increase by approximately the value of the
3177 permits.

3178 So what is happening in this bill is those who had an
3179 inside track or an effective argument or a big advocate are
3180 now getting these permits for free. And so it is going to
3181 them at no charge, but that is to protect them from the
3182 damage that would otherwise be done to them by enactment of
3183 these provisions.

3184 But over time, as I understand it, those allocations
3185 bleed away. It reminds me what a colleague of mine said

3186 about this whole notion. He said it is a bit like swallowing
3187 a tapeworm. Doesn't affect you at first, but it begins to
3188 eat you alive later. And so I think that is a real graphic
3189 explanation.

3190 Now, the other thing that happens when you represent a
3191 rural agricultural district like I do, there is always this
3192 talk about we are going to put tariffs on, and by golly, we
3193 are going to protect this industry, steel or aluminum or
3194 whatever is favored at the moment by Washington. And then
3195 these countries aren't operating out there in a vacuum. They
3196 have the ability to come back if those tariffs or penalties
3197 or whatever Congress decides to enact, don't meet up with our
3198 world trade agreements, and usually they don't.

3199 Then they come back and they don't slam necessarily
3200 steel or aluminum. They get the choice to pick other items.
3201 And this Congress already, under Democrat leadership, in one
3202 of the bills that passed, decided to get into a little tariff
3203 war, a little trade war with Mexico over trucks to protect
3204 American trucking system allegedly. So that violated NAFTA,
3205 and Mexico had the right then to come back and start enacting
3206 tariffs. And they are. Up to 20 percent tariffs on pears
3207 and cherries and onions and potatoes and Christmas trees and
3208 various other products they decided. Mexico decided under
3209 their rights, under the treaties we have, to come after us.

3210 And so I would like to ask counsel can you show me in
3211 here what the tariffs are in this bill? Where? Point to
3212 them.

3213 {Counsel.} If the gentleman would yield to me.

3214 Mr. {Walden.} Yes, sir.

3215 {Counsel.} There are no tariffs in this bill.

3216 Mr. {Walden.} Okay, then let me ask you this because,
3217 Mr. Chairman, I thought I heard earlier Weighs and Means was
3218 going to put some sort of protectionist--

3219 {Counsel.} They may well put in a border tariff to help
3220 those industries that might face unfair competition. But I
3221 would ask the gentleman who backs free trade, do you think
3222 that has had any result in jobs going overseas? I would
3223 submit that that has been the sucking sound that we have seen
3224 from--

3225 Mr. {Walden.} Well, reclaiming my time, Mr. Chairman,
3226 certainly in trade agreements, there are those who do better
3227 and those who don't. I stipulate that. But I also would
3228 tell you, on the face of it, that when you dramatically
3229 increase energy costs on the remaining American
3230 manufacturers, and you have the head of the National
3231 Association of Manufacturers testify that this bill alone
3232 will cost two million to three million American manufacturing
3233 jobs, that that is not an inconsequential piece of

3234 legislation.

3235 And so I am trying to figure out--I haven't had time to
3236 get through all 930 however many pages. So let me ask the
3237 counsel this. Where is it in here where the allocations are
3238 to specific industries? Can you tell me where that is
3239 because I have heard that they are somehow protected for
3240 certain years? And I would like to know how many credits
3241 they are getting when they get them.

3242 {Counsel.} Will you yield to me on that as well?

3243 Mr. {Walden.} Yes.

3244 {Counsel.} That is in Title Four of the Act. We are
3245 not at that point yet.

3246 Mr. {Walden.} Well, but we are certainly debating here
3247 and now over Mr. Rogers' amendment.

3248 {Counsel.} Well, it is in Title Four to answer your
3249 question.

3250 Mr. {Walden.} And that is why I was curious because I
3251 have heard in the debate that those industries are cared for
3252 well in this bill. So would the counsel direct me to what
3253 page that is on?

3254 The {Chairman.} Counsel, do you know what page Title
3255 Four starts? Once we answer that question, we are going to
3256 break for a vote. In fact, it will be three votes, which
3257 will give members notice and that we will come back after the

3258 three votes.

3259 Mr. {Walden.} Okay, I am told it is Title Three, Mr.
3260 Chairman, by our staff, maybe page 553.

3261 {Counsel.} Section 782.

3262 Mr. {Walden.} Page 736 maybe.

3263 {Counsel.} Page 733 in Title Four.

3264 Mr. {Walden.} That is the rebate program. And then the
3265 allocation program is Title Three I believe.

3266 The {Chairman.} You may well be right.

3267 Mr. {Walden.} Should we wait for an answer until after
3268 we vote?

3269 The {Chairman.} If you would like, we will vote and
3270 have the answer for you upon your return.

3271 Mr. {Walden.} All right. Thank you, Mr. Chairman.

3272 Thanks.

3273 The {Chairman.} Committee stands in recess until after
3274 the votes on the House floor.

3275 [Recess.]

3276 The {Chairman.} When we met before the break for the
3277 votes--

3278 Ms. {Schakowsky.} Mr. Chairman.

3279 The {Chairman.} Just a minute. Before we left to break
3280 for the votes, we were trying to get an answer to Mr.

3281 Walden's questions. Mr. Walden, have you received an answer

3282 to your questions?

3283 Mr. {Walden.} No, Mr. Chairman, I was under the
3284 impression that they were going to answer when we got back--

3285 The {Chairman.} Okay.

3286 Mr. {Walden.} --if that is--

3287 The {Chairman.} Are we prepared to answer the question
3288 of Mr. Walden?

3289 {Counsel.} Could you repeat the question so we make
3290 sure we answer the right question?

3291 Mr. {Walden.} You bet. I will attempt to do that. The
3292 question was where are the allocations--excuse me. Where in
3293 the bill are the various industries that were singled out for
3294 assistance? Where are those allocations? I understand they
3295 are in like Title Three and Title Four perhaps.

3296 {Counsel.} Yeah, the allocations are in--

3297 Mr. {Walden.} I am sorry. Can you speak up? It is
3298 hard to hear right here.

3299 {Counsel.} The primary set of allocations are in
3300 section 782 of the Clean Air Act, the section that would add
3301 Section 782, and that appears on page 553.

3302 Mr. {Walden.} Okay.

3303 {Counsel.} But there are a number of subsections in
3304 Section 782 that allocate allowances to industry, and that
3305 sets out the specific amounts that go to--for all of the

3306 different purposes, for all of the different programs. Then
3307 in particular for industry as well in Title Four.

3308 Mr. {Walden.} So the first one is Title Three of the
3309 bill?

3310 {Counsel.} Yeah, the first is Title Three.

3311 Mr. {Walden.} Okay, thank you.

3312 {Counsel.} And it is the new section, 782 to the Clean
3313 Air Act.

3314 Mr. {Walden.} Thank you.

3315 {Counsel.} That is why, it is 782 of the Clean Air Act,
3316 and it is actually Section 321 of the bill.

3317 Mr. {Walden.} Okay.

3318 {Counsel.} But it is Section 782 of the Clean Air Act
3319 that has the allocations for all of the industry sources and
3320 for others. And then in Title Four, and it is on, starting
3321 on page 736 in what will be new Section 764 of the Clean Air
3322 Act, that section and one or two sections following that, set
3323 forth the criteria for how the allocations to energy-
3324 intensive trade exposed industries would be divided up.

3325 Mr. {Walden.} And one final question, Mr. Chairman. Is
3326 there a definition for energy-intensive trade exposed
3327 industries? Where would I find that?

3328 {Counsel.} There are specific criteria, and you would
3329 find that in Section 764, Eligible Industrial Sources.

3330 Mr. {Walden.} 764, okay. And do you happen to have a
3331 page number?

3332 {Counsel.} Yes, it is page 736.

3333 Mr. {Walden.} 736, thank you very much. Thank you, Mr.
3334 Chairman, I appreciate your indulgence.

3335 The {Chairman.} Thank you, Mr. Walden. Mr. Stupak?

3336 Mr. {Stupak.} Mr. Chairman, move to strike the last
3337 word. Mr. Chairman, on this amendment proposed by Mr. Rogers
3338 of Michigan, I yield to Mr. Doyle of Pennsylvania for
3339 comment.

3340 Mr. {Doyle.} I thank my friend. Just a point of
3341 clarification, and it speaks to what Mr. Walden was talking
3342 about. We didn't sit down and just start picking industries
3343 out. There was actually a very objective criteria used to
3344 decide what industries qualified for this type of assistance.
3345 And what we did is measure energy intensity versus trade
3346 intensity. To qualify for the program, the industry has to
3347 be at least have 5 percent energy intensity and 15 percent
3348 trade intensity. So if you fell within that metric, then you
3349 were eligible for assistance under the program.

3350 So it was a very objective standard, and we didn't set
3351 out to just, you know, pick--like I didn't get to sit down
3352 and say hey, I want to do the steel industry. We were
3353 looking specifically for high, you know, energy intensive

3354 companies with trade pressure. So that is the metric that
3355 was used. And that determines which is eligible. I think it
3356 is my understanding 41 different industries--I mentioned
3357 three or four of them--

3358 Mr. {Walden.} Right.

3359 Mr. {Stupak.} --actually qualify under this metric.

3360 Mr. {Walden.} Would the gentlelady yield for me just to
3361 make one other comment? A question to the gentleman from
3362 Pennsylvania? Or, I am sorry. It is Mr. Stupak has the
3363 time. I am sorry.

3364 Mr. {Stupak.} Sure, I will yield.

3365 Mr. {Walden.} What I am trying to figure out, because I
3366 figure I will get asked this question. Am I covered? Am I
3367 an industry that is covered? If I am farmer? Clearly in my
3368 part of the world, they use a lot of energy to farm wheat and
3369 harvest wheat, and they are very trade sensitive. Now, I
3370 know ag is sort exempted from the bill to begin with. But
3371 you see what I am saying? So I am just trying to find out
3372 where do I go look for what that means?

3373 Mr. {Doyle.} We would be happy to provide it. We
3374 actually had a--there was actually a nice graph. I just have
3375 it with me here that sort of listed industries and where they
3376 fell on the metric. Some industries were very energy-
3377 intensive but didn't meet the 15 percent trade intensity.

3378 They didn't get to be part of the bill, and some vice versa.
3379 So, you know, some met one criteria but not the other.

3380 It was important, you know, when we did the metric that
3381 we have some objective way of saying who gets to be in the
3382 program and who doesn't, not just to pick and choose who we
3383 wanted in there.

3384 So we will be happy to make sure you have that
3385 information.

3386 Mr. {Walden.} Sir, where would I get that information?
3387 Since we are sort of voting on this amendment very soon here,
3388 I know. Do you have--does somebody on the staff have that
3389 graph you referenced, that matrix?

3390 Mr. {Doyle.} We will check and try to get it to you,
3391 but I mean it is very clear. I mean it is a very objective
3392 standard, 15 and 5.

3393 Ms. {Myrick.} Will the gentleman yield?

3394 The {Chairman.} Mr. Stupak--

3395 Mr. {Stupak.} I still have two minutes. Yes.

3396 Ms. {Myrick.} I was just going to ask under that same
3397 thing, is textiles one of the areas that is covered under
3398 this, Mike?

3399 Mr. {Doyle.} I don't believe textiles is included.

3400 Mr. {Stupak.} Mr. Chairman, I will yield back my time.

3401 The {Chairman.} Gentleman yields back his time. Are we

3402 ready for the question on the pending amendment? Yes, the
3403 gentleman from Louisiana. From Georgia, excuse me.

3404 Mr. {Gingrey.} We sound alike, Mr. Chairman. I can
3405 understand that. Move to strike the last word.

3406 The {Chairman.} Gentleman is recognized for five
3407 minutes.

3408 Mr. {Gingrey.} Mr. Chairman, thank you, and I know we
3409 are getting close to the end on this amendment, but I felt
3410 very strongly the need to speak out in favor of this
3411 amendment, the Rogers amendment. I think that it is an
3412 amendment that we absolutely should pass. Now, I realize
3413 that there are members on the majority side that are very
3414 pleased with credits or whatever you want to call it in
3415 regard to certain industries and they met certain standards
3416 to be able to get that kind of treatment, and I feel very
3417 confident there was nothing political about any of that.
3418 Cases were made, and whether we are talking about for oil
3419 patch or steel industry, aluminum industry or maybe even the
3420 homeless folks who needed help in LIHEAP.

3421 But I think the bottom line, Mr. Chairman, is what I
3422 said in my opening statement yesterday, and I want to take
3423 just one paragraph of that opening statement. This
3424 legislation manufactures a cost to business that otherwise
3425 does not exist. Let me repeat. Does not exist regardless of

3426 any formulas or allocations or credits to ship these
3427 additional costs around. Someone in this country, the United
3428 States, is going to pay, and ultimately it will be all of us
3429 because this plan will hurt the entire economy. And that is
3430 the whole purpose of, I think, the Rogers amendment in regard
3431 to China.

3432 We have heard a number of members defend the policy cap
3433 and trade, what we are doing here with the American Energy
3434 and Security Act of 2009, saying that the president needs
3435 something to take to Copenhagen to show good faith to these
3436 other countries and maybe to influence them in such a
3437 positive way that they will want to jump onboard and become a
3438 part of the band and maybe march right off the cliff with us.

3439 But it wasn't six weeks ago, I don't think, that the
3440 president was--took a little trip over to the UK and in
3441 London met with the group of 20 and asked for a little help.
3442 Please, God, a little help in Iraq and Afghanistan,
3443 particularly Afghanistan.

3444 And where are our NATO partners and what did they do and
3445 how many troops have they been willing to commit? And, you
3446 know, I don't hear any great outcry from any of these
3447 countries saying well, we will--absolutely. You can have
3448 another 300. You can have another 50. By the way, we agree
3449 with you that we need to get these men and women in the fight

3450 and not just sitting around the perimeter somewhere smoking
3451 cigarettes. They are going to be in the line of fire, the
3452 tip of the spear, and we are going to shed some blood just
3453 like you are for the greater good.

3454 Now, I know we call these things overseas contingency
3455 operations. We don't call them wars. But this situation
3456 that we are talking about with our economy is just as
3457 critical. We are talking about people losing jobs, losing
3458 their homes, really, really struggling. And yet, you know,
3459 where is the righteous indignation over the fact that we are
3460 leading the band and we are not having too many people
3461 following us in regard to defending our country when our men
3462 and women are shedding most of the blood.

3463 So I mean I think we can't have it both ways, and I
3464 think it is important for us to understand that we are
3465 putting a tremendous burden on our people for the sake of the
3466 world reducing greenhouses gases in China and India. And, as
3467 Mr. Rogers has pointed out, you know, you are talking about,
3468 what, a third of the world's population and the amount of
3469 pollutant. And I think over the last 20 years, our carbon
3470 imprint probably has increased about 23 percent, and the
3471 carbon production over the same period of time by India is
3472 440 percent, and that of China is just a little bit behind
3473 that, maybe 420 percent.

3474 So I don't think we need to be going this alone any more
3475 than we should be going it alone in Afghanistan and Iraq. I
3476 would apply the same principles to it. This idea, Mr.
3477 Speaker, of getting these credits. I think Mr. Scalise was
3478 absolutely right. These credits are time limited, and when
3479 they run out, whether it is 15, 20, 25 years, my friend from
3480 Pennsylvania may have felt that he really cut a good deal and
3481 swapped a good night for a better one. But at the end of the
3482 day, what is going to happen to those companies. I think Mr.
3483 Scalise hit the nail right on the head. They may very well
3484 just be making plans to head south, and south is offshore.

3485 So this is a good amendment, and I urge my colleagues to
3486 support it.

3487 The {Chairman.} Gentleman's time has expired. I want
3488 to recognize--let me recognize Mr. Green, will you yield--

3489 Mr. {Green.} A brief comment.

3490 The {Chairman.} Go ahead.

3491 Mr. {Green.} I know that it was said, but coming from
3492 Texas, Louisiana and Georgians don't sound alike.

3493 The {Chairman.} Will the gentleman yield to me since he
3494 has the time, Mr. Green. Thank you. I just want to draw the
3495 members' attention to what this amendment before us provides.
3496 It says ``the administrator, in consultation with the
3497 Department of State, U.S. Trade Representative, annually

3498 prepare and certify a report whether China and India have
3499 adopted greenhouse gas emission standards at least as strict
3500 as ours.' ' And if they haven't--I am paraphrasing now--then
3501 the provisions of the Act shall cease to be effective.

3502 Now, this Act has a number of parts to it. It has a
3503 part to bring about greater efficiency. It will stop that.
3504 It has a provision to deal with renewable fuels. Well, we
3505 would stop that. It has a cap on the total emissions and
3506 encouraging greater efficiency. And in doing so, investments
3507 in carbon sequestration. We would stop that. But we have
3508 money for research and development to other technology. We
3509 would stop that. We would stop all the things that this bill
3510 would have us do to make ourselves more energy independent
3511 and a leader in our own fate in terms of how we are going to
3512 meet our energy needs.

3513 All that would stop if India or China didn't do as good
3514 a job as we are doing. We would stop. Are we going to leave
3515 our fate to India and China to drag their feet maybe
3516 intentionally and then say we are not going to try to find
3517 more ways to be efficient in the use of energy? We are not
3518 going to continue to find alternatives. We are not going to
3519 look for a way to burn coal in this country with a technology
3520 that would stop any damage to the environment even though
3521 coal is a natural resource, we don't import it. We need the

3522 investments in the technology.

3523 We need this bill, but we don't want this provision to
3524 stop us in our tracks so I would urge members to vote against
3525 this amendment and to support the bill to move forward with
3526 this legislation.

3527 Who goes now? Mr. Green yielded to me. I don't know if
3528 others want time. I just want to make these additional
3529 comments. I will presume he yields back the balance of his
3530 time. And we will now go to this side, if there is further
3531 discussion. Mr. Shimkus.

3532 Mr. {Shimkus.} Strike the last word.

3533 The {Chairman.} Gentleman is recognized.

3534 Mr. {Shimkus.} Mr. Chairman, I appreciated your
3535 comments. We would stop a lot of things, but the biggest
3536 thing we would stop would be the increased cost that is going
3537 to go to fossil fuel users around this country, and that
3538 increased cost will have a burden of job dislocation. This
3539 bill recognizes the fact that there will be job losses.

3540 That is why you have mitigation. I would wish every
3541 member would talk on this amendment because this is a job
3542 bill. This is a job amendment. This is a job bill for China
3543 and a job bill for India. So if you want to put up what
3544 southern Illinois put up with after the 1990 Clean Air Act
3545 with 15,000 mine workers losing their job or the state of

3546 Ohio that lost 35,000 coal miner jobs, we are going down that
3547 route.

3548 I concur with my colleagues, and the former chairman of
3549 the Energy Subcommittee in the last Congress was at a meeting
3550 with a senior Chinese official. He was asked twice by two
3551 Democrats in that meeting will you ever comply to an
3552 international cap-and-trade regime? His response was no, and
3553 he went on to say the West developed their middle class by
3554 the use of fossil fuels, and now it is our turn. The West
3555 developed their middle class by the use of fossil fuels, and
3556 now it is our turn. Well, they are going to develop the
3557 middle class. They are going to develop the middle class on
3558 the job dislocation brought about by this bill.

3559 And that dislocation is already accepted by this bill as
3560 a premise of this bill because there is mitigation here to
3561 try to soften that blow. But make no mistake. There will be
3562 job losses. So all this amendment says is let us go and
3563 comply. This is all pain--I have said this in numerous
3564 hearing. This bill is all pain for United States economy and
3565 no gain.

3566 If India and China do not comply, you are going to have
3567 increased carbon dioxide emissions. So you are going to go
3568 through all this 900-page bill, set up this whole new
3569 bureaucracy, costing thousands of dollars, charging rate

3570 payers more for no environmental benefit, none. It is
3571 incredible. It is ludicrous. And not only that, we are
3572 going to push job dislocation in a time when this economy can
3573 ill afford it. I find it incredible that we would make it
3574 more difficult for manufacturers and job creation in our
3575 economy today by moving this bill.

3576 When we started down this route in January of this year,
3577 and this is just a first really of many, many amendments that
3578 my friends are going to have to vote against, that they will
3579 come back and see that will haunt them. Because what you are
3580 saying is China and India do not have to comply. We are
3581 going to comply, and we are going to make it more difficult
3582 for us to manufacture goods to compete in the world market.
3583 Go ahead. Have your vote. I am voting for this amendment.

3584 Mr. {Barton.} Will the gentleman yield?

3585 Mr. {Shimkus.} I would yield.

3586 Mr. {Barton.} Mr. Chairman, I have a chart that we have
3587 provided to your clerk on percent change in CO2 emissions by
3588 country. Are you all able to put that up on the screen? We
3589 have provided it. I don't know if you have it where you can
3590 put it up on the screen.

3591 All right, well, I will submit it for the record. It
3592 shows--

3593 The {Chairman.} Without objection, the chart will be

3594 submitted.

3595 Mr. {Barton.} It is an AIE chart, Institute of Energy
3596 Research. It shows between 2000 and 2007 that China's
3597 emissions have doubled and that India's emissions have gone
3598 up about 38 percent. Russia's have gone up about 10 percent,
3599 and the United States has gone up less than 1 percent.

3600 In absolute numbers, the U.S. has gone from 5,860 metric
3601 tons to 5,902, which is 0.1 of 1 percent or a total growth
3602 rate of 42 tons. China has gone from a little under 3,000
3603 metric tons to over 6,000. China is growing at an annual
3604 rate of 17 percent a year. 17 percent. Yeah, there is the
3605 chart. And so as a number of our speakers have pointed out,
3606 Mr. Chairman, asking the United States, which has already
3607 basically frozen its CO2 emissions, to have to do some of
3608 these fairly drastic reductions without even acknowledging
3609 the growth rate in China, which is larger in absolute terms
3610 than the United States, and the growth rate in India, which
3611 is number three, and will catch up with us probably in the
3612 next 10 years, just doesn't seem to make a lot of sense.

3613 And I will submit this all for the record, Mr. Chairman.

3614 The {Chairman.} Gentleman's time has expired. Are we
3615 ready for the question? Mr. Buyer?

3616 Mr. {Buyer.} I move to strike the last word.

3617 The {Chairman.} Gentleman is recognized for five

3618 minutes.

3619 Mr. {Buyer.} I need to provide voice to Indiana and
3620 their concerns with regard to this climate change bill, in
3621 particular cap and trade. My good friend Baron Hill, also
3622 from Indiana, can voice his opinion, but our governor, Mitch
3623 Daniels, has recently wrote a ``Wall Street Journal'' piece
3624 that I would ask unanimous consent to be included in the
3625 record.

3626 The {Chairman.} Without objection.

3627 Mr. {Buyer.} And he voices his great concerns, and it
3628 almost is very pertinent to our discussion here today about
3629 exempting China and India. So I am pleased that your
3630 incorporated his remarks in the record.

3631 With regard to some comments made on steel, India is
3632 known for its steel industries and I, like probably other
3633 members of the committee, have provided testimony over the
3634 years to the International Trade Commission regarding the
3635 impact the newly independent states in eastern Europe,
3636 central Asia, Indonesia, and South America with regard to
3637 their excess capacity in steel over the last decade and its
3638 impact upon not only the global market of steel but in
3639 particular our domestic production of steel.

3640 I personally believe that the combination of subsidies,
3641 protections, cartels, excess capacities, created an

3642 irresistible incentive of almost an imperative for the
3643 producers in these countries to sell their steel abroad at
3644 virtually any price. And it damaged our industries here in
3645 the United States.

3646 I am pleased that our own federal government, with
3647 regard to comprehensive relief under Section 201 of our trade
3648 laws, had to take comprehensive and broad approaches to
3649 protect our industry. But let us please understand that
3650 impact upon our steel industry was coming from these unfair
3651 trade practices that were placing our steel industry at
3652 disadvantage. So I wanted that to be placed on the record.

3653 I do have great concerns with regard to China, in
3654 particular now that it has overtaken the United States to
3655 become the world's biggest emitter while India becomes the
3656 third biggest emitter by 2015 according to the International
3657 Energy Agency and the World Energy Outlook report. So
3658 exempting China and India from any form of binding caps is
3659 equivalent to giving them an emissions-free pass for their
3660 economic elites.

3661 So when I think of Indiana and we are 93 to 96 percent
3662 dependent upon coal as a source with regard to our energies
3663 and according to how the allocations would be spread in this
3664 bill, our state has a tremendous penalty, not only to our
3665 manufacturing businesses, but also to our consumers. And I

3666 am equally concerned that we are truly picking winners and
3667 losers.

3668 So if you are in a manufacturing area and you are
3669 dependent upon individuals that make those spare parts, the
3670 emissions requirements--if you added a trade requirement on
3671 there, Mr. Doyle, even to our, not only to our foundries--if
3672 you are going to say to those foundries that well, you don't
3673 meet this particular requirement. We are going to offshore
3674 those parts, and there is going to be a tremendous job loss.
3675 And so I suppose that some members of the committee are
3676 finding some form of satisfaction that that ``is okay.''

3677 I am deeply concerned. I am glad that we are having a
3678 discussion with regard to steel because, you know, if we
3679 wanted to start our own country somewhere, there are probably
3680 10 basic elements that you are going to need in order to be
3681 successful. Not only water, portable water and food, but you
3682 need steel, and it is very important to our national
3683 security. And to think that somehow that we are going to
3684 allow the offshoring of our manufacturing capabilities and to
3685 become a service society is tremendously concerning to me.

3686 And so I just wanted to add my voice in support of the
3687 amendment. And I would yield back my time. Thank you, Mr.
3688 Chairman.

3689 The {Chairman.} Gentleman yields back his time. All

3690 those in favor of the previous question, say aye. All those
3691 opposed, say no. The previous question is ordered. The ayes
3692 have it. The previous question on this amendment.

3693 Mr. {Barton.} No, no, Mr. Chairman. You have the bill
3694 open for amendment at any point, and you have just ended
3695 discussion on the entire bill.

3696 The {Chairman.} No.

3697 Mr. {Barton.} Yes, you have. I hope you are happy
3698 because that is what you have just done. For the first time
3699 in 50 years, you have cut off debate on a major bill.

3700 The {Chairman.} No, the gentleman--

3701 Mr. {Barton.} I know the rules, Mr. Chairman.

3702 The {Chairman.} Well, gentleman will permit. I have
3703 asked for the previous question on the pending amendment.

3704 Mr. {Barton.} That is not what you said. I will ask
3705 the clerk to read back what you just said.

3706 The {Chairman.} Well, we don't want the previous
3707 question on the bill.

3708 Mr. {Barton.} Then you better ask unanimous consent to
3709 rescind your motion.

3710 The {Chairman.} Well, let me ask unanimous consent that
3711 we proceed to the vote on this amendment.

3712 Mr. {Barton.} I object to that. We still have members
3713 that wish to speak on the amendment.

3714 The {Chairman.} What members wish to speak on the
3715 pending amendment?

3716 Mr. {Barton.} We got two right down there.

3717 The {Chairman.} And we will have at least one more on
3718 this side. Then the chair will recognize that the--

3719 Mr. {Barton.} First, you have to--

3720 The {Chairman.} Without objection, the chair will
3721 recognize the three people who are seeking recognition--

3722 Mr. {Barton.} Well, first you have to--

3723 The {Chairman.} --and they will--

3724 Mr. {Barton.} Mr. Chairman, if we are going to go by
3725 the rules, we are going to go by the rules.

3726 The {Chairman.} I don't believe the gentleman is
3727 correct, but let me ask unanimous consent that any action
3728 that has been taken be voided so that we can hear from three
3729 more members and then we will proceed to a vote. Without
3730 objection, that is the order. The chair recognizes--

3731 Ms. {Blackburn.} It is Ms. Blackburn from Tennessee.

3732 The {Chairman.} Yeah, well, I was looking at the
3733 gentleman next to you, Mr. Burgess. But let us recognize you
3734 next. Didn't you speak on this amendment?

3735 Ms. {Blackburn.} No, sir.

3736 The {Chairman.} Okay, gentlelady is recognized.

3737 Ms. {Blackburn.} Thank you, Mr. Chairman. I do

3738 appreciate that, and I wanted to say a few things about the
3739 amendment, in support of the amendment. And I thank you for
3740 the recognition there.

3741 I do support this amendment, and I am very concerned
3742 about what will happen if we do not pass Mr. Rogers'
3743 amendment. Mr. Chairman, I appreciated what you had to say
3744 about it would terminate investment. It would terminate all
3745 these things if we were to pass this amendment and we found
3746 that China and India were not coming into compliance or their
3747 emissions were not meeting the standards that were set.

3748 Now, the important thing about this is we are shipping
3749 jobs out of this country because of what will take place with
3750 this cap-and-trade bill. We all are hearing it. In
3751 Tennessee where we have our auto manufacturers, our parts
3752 manufacturers, our aftermarket auto parts manufacturers, they
3753 are very, very concerned. And when I go in to visit with
3754 them at their plants and I ask them how they are doing, many
3755 times they talk about how very difficult it is to continue
3756 manufacturing in this country because of the impact that we
3757 have with environmental regulation.

3758 Now, as I have said many times, we are all for clean
3759 water. We are all for clean air. We are all for clean
3760 energy. We are not for taxing people out of their house and
3761 home to get there. We are not for passing bills that are

3762 going to cause people to lose their job. Unless we take this
3763 amendment and unless we consider what is happening with the
3764 chief emitters out there, which are going to be China and
3765 India, we are putting ourselves at a disadvantage, a
3766 competitive disadvantage.

3767 I think it is important that we not have a bill that is
3768 punishment, which right now that is what this piece of
3769 legislation appears to be is punishment for trying to be a
3770 manufacturer in this country. And, Mr. Chairman, I don't
3771 think that you and our good colleagues on the other side of
3772 the aisle want to be the party of punishment when it comes to
3773 jobs growth and jobs retention in this country. So I would
3774 encourage my colleagues to support this amendment. I would
3775 encourage my colleagues to think long and hard about what we
3776 are doing to jobs growth and jobs retention in this country
3777 and the burden that we are placing on our employers.

3778 With that, I will be happy to yield my time to whomever
3779 would seek recognition or seek to claim the balance of my
3780 time. I yield back.

3781 The {Chairman.} Gentlelady yields back. Mr. Burgess.

3782 Mr. {Burgess.} Thank you, Mr. Chairman. I would move
3783 to strike the requisite number of words.

3784 The {Chairman.} Gentleman is recognized for five
3785 minutes.

3786 Mr. {Burgess.} And, Mr. Chairman, for the purpose, I am
3787 actually addressing a question to the author of the
3788 amendment. And we have been at this so long, I just wanted
3789 to be sure that I heard the author correctly when he gave his
3790 offering statement to the amendment. Did I hear correctly
3791 that you said that the United States has actually reduced its
3792 energy intensity over the period of time that Europe that
3793 employed its cap-and-trade regimen to the point where our
3794 energy intensity is less than that of Europe? Did I
3795 understand that? And I will yield to the gentleman.

3796 Mr. {Rogers.} To the gentleman, that is correct. Under
3797 the European Union, under cap and trade, they reduced it 16.8
3798 percent. Under the United States using innovation and
3799 private industry was done over 20 percent in the same
3800 timeframe.

3801 Mr. {Burgess.} And reclaiming my time. Could the
3802 gentleman tell me, because I don't know the timeframe that
3803 the cap-and-trade regimen was in effect in Europe.

3804 Mr. {Rogers.} I believe since 2003 that is the right
3805 number.

3806 Mr. {Burgess.} And I thank the gentleman. Reclaim my
3807 time. So during the last seven years or, I am sorry, the
3808 last six years of the Bush administration when we were told
3809 that nothing has happened in this regard, we actually reduced

3810 our energy intensity greater than the European Union who was
3811 under a cap and trade regimen? And I will yield to the
3812 gentleman.

3813 Mr. {Rogers.} That is correct, sir.

3814 Mr. {Burgess.} Thank you. Reclaiming my time. I think
3815 I heard someone else reference the fact that we wanted the
3816 president to have something to take to Copenhagen. I would
3817 submit the president could take this to Copenhagen and be
3818 quite satisfied that he has done--that he inherited a good
3819 start from his predecessor. And, Mr. Chairman, thank you. I
3820 will yield back the balance of my time.

3821 The {Chairman.} Gentleman has yielded back. Anyone
3822 else wish to be recognized on the pending amendment? Are we
3823 ready for the vote on the pending amendment?

3824 Mr. {Hall.} Chairman?

3825 The {Chairman.} Mr. Hall?

3826 Mr. {Hall.} Like to strike the last word.

3827 The {Chairman.} Mr. Hall would like to strike the last
3828 word. Gentleman is recognized for five minutes.

3829 Mr. {Hall.} Thought for a while it was going to be the
3830 last word for the whole bill. You know, this is pretty
3831 simple amendment. The administrator, he came to it by
3832 himself. The Department of State has to help. The United
3833 States trade rep has to pitch in and prepare and certify for

3834 China and India, and that the standards be at least as strict
3835 as those standards that you are trying to require under this
3836 act.

3837 But the last part there says standards at least as
3838 stringent as those set forth in this act, the provision of
3839 this act shall cease to be effective. And the only way that
3840 this act could cease to be effective is for us to yield the
3841 Congress to China is very arrogant statement. And the
3842 president has gone all over the world saying that we are not
3843 a Christian nation and that we are an arrogant nation. You
3844 talk about arrogance. China takes the lead in being an
3845 arrogant nation when they say that they are going to have to
3846 produce for us because we are losing all the jobs because of
3847 this bill and other such similar bills. That they are going
3848 to have to produce for us and sell to us, and as such, we are
3849 going to be obligated to cleanse China's skies.

3850 Well, that is outrageous and our president, I think,
3851 ought to be careful about what he says trying to make the
3852 world love him and hate us. We are not an arrogant nation,
3853 and we are a Christian nation where we don't just apply to
3854 the Christianity. We allow others to observe their own
3855 pursuit of their worship. We aren't a Christian nation where
3856 people run their people in their airplane, fly into their
3857 building, murder their people, and do it because their god

3858 tells us to.

3859 I just think that this act could not cease to be
3860 effective any other way, and I don't see why we don't vote
3861 yes on this amendment. I yield back my time.

3862 The {Chairman.} Thank you, Mr. Hall. Just for the
3863 clarification of the parliamentary situation, it is good to
3864 have Mr. Barton sitting here next to me because he has a
3865 great deal more experience as a chairman of this committee
3866 than I have had. And he is correct on the parliamentary
3867 situation. If we want to end the debate on a pending
3868 amendment, there may be a vote to end the debate but if it is
3869 put as ordering the previous question, which I mistakenly
3870 thought would get us to end debate on the pending amendment,
3871 that would end debate on all amendments. So I thank Mr.
3872 Barton for his knowledge on parliamentary procedures.

3873 Mr. {Barton.} I learned it from Mr. Dingell.

3874 The {Chairman.} We will not ask for a vote to end the
3875 debate. I think we have ended the debate on the pending
3876 amendment, and we will now proceed to a vote. All those in
3877 favor of the pending amendment say aye. Opposed say no.

3878 Mr. {Barton.} And I ask for a roll call vote.

3879 The {Chairman.} And we will proceed to a roll call
3880 vote.

3881 The {Clerk.} Mr. Waxman.

3882 The {Chairman.} No.

3883 The {Clerk.} Mr. Waxman no. Mr. Dingell.

3884 Mr. {Dingell.} No.

3885 The {Clerk.} Mr. Dingell no. Mr. Markey.

3886 Mr. {Markey.} No.

3887 The {Clerk.} Mr. Markey no. Mr. Boucher.

3888 [No response.]

3889 The {Clerk.} Mr. Pallone.

3890 Mr. {Pallone.} No.

3891 The {Clerk.} Mr. Pallone votes no. Mr. Gordon.

3892 Mr. {Gordon.} No.

3893 The {Clerk.} Mr. Gordon votes no. Mr. Rush.

3894 [No response.]

3895 The {Clerk.} Ms. Eshoo.

3896 Ms. {Eshoo.} No.

3897 The {Clerk.} Ms. Eshoo votes no. Mr. Stupak.

3898 Mr. {Stupak.} No.

3899 The {Clerk.} Mr. Stupak votes no. Mr. Engel.

3900 [No response.]

3901 The {Clerk.} Mr. Green.

3902 Mr. {Green.} No.

3903 The {Clerk.} Mr. Green votes no. Ms. DeGette.

3904 Ms. {DeGette.} No.

3905 The {Clerk.} Ms. DeGette votes no. Mrs. Capps.

3906 Ms. {Capps.} No.

3907 The {Clerk.} Mrs. Capps votes no. Mr. Doyle.

3908 Mr. {Doyle.} No.

3909 The {Clerk.} Mr. Doyle no. Ms. Harmon.

3910 Ms. {Harmon.} No.

3911 The {Clerk.} Ms. Harmon no. Ms. Schakowsky.

3912 Ms. {Schakowsky.} No.

3913 The {Clerk.} Ms. Schakowsky no. Mr. Gonzalez.

3914 Mr. {Gonzalez.} No.

3915 The {Clerk.} Mr. Gonzalez no. Mr. Inslee.

3916 Mr. {Inslee.} No.

3917 The {Clerk.} Mr. Inslee no. Ms. Baldwin.

3918 Ms. {Baldwin.} No.

3919 The {Clerk.} Ms. Baldwin no. Mr. Ross.

3920 Mr. {Ross.} No.

3921 The {Clerk.} Mr. Ross votes no. Mr. Weiner.

3922 Mr. {Weiner.} No.

3923 The {Clerk.} Mr. Weiner no. Mr. Matheson.

3924 [No response.]

3925 The {Clerk.} Mr. Butterfield.

3926 Mr. {Butterfield.} No.

3927 The {Clerk.} Mr. Butterfield no. Mr. Melancon.

3928 Mr. {Melancon.} No.

3929 The {Clerk.} Mr. Melancon no. Mr. Barrow.

3930 Mr. {Barrow.} No.

3931 The {Clerk.} Mr. Barrow votes no. Mr. Hill.

3932 Mr. {Hill.} No.

3933 The {Clerk.} Mr. Hill no. Ms. Matsui.

3934 Ms. {Matsui.} No.

3935 The {Clerk.} Ms. Matsui no. Mrs. Christensen.

3936 Ms. {Christensen.} No.

3937 The {Clerk.} Mrs. Christensen votes no. Ms. Castor.

3938 Ms. {Castor.} No.

3939 The {Clerk.} Ms. Castor votes no. Mr. Sarbanes.

3940 Mr. {Sarbanes.} No.

3941 The {Clerk.} Mr. Sarbanes no. Mr. Murphy of

3942 Connecticut.

3943 Mr. {Murphy of Connecticut.} No.

3944 The {Clerk.} Mr. Murphy of Connecticut no. Mr. Space.

3945 Mr. {Space.} No.

3946 The {Clerk.} Mr. Space no. Mr. McNerney.

3947 Mr. {McNerney.} No.

3948 The {Clerk.} Mr. McNerney no. Ms. Sutton.

3949 Ms. {Sutton.} No.

3950 The {Clerk.} Ms. Sutton votes no. Mr. Braley.

3951 Mr. {Braley.} No.

3952 The {Clerk.} Mr. Braley votes no. Mr. Welch.

3953 Mr. {Welch.} No.

- 3954 The {Clerk.} Mr. Welch no. Mr. Barton.
- 3955 Mr. {Barton.} Aye.
- 3956 The {Clerk.} Mr. Barton votes aye. Mr. Hall.
- 3957 Mr. {Hall.} Aye.
- 3958 The {Clerk.} Mr. Hall aye. Mr. Upton.
- 3959 Mr. {Upton.} Aye.
- 3960 The {Clerk.} Mr. Upton aye. Mr. Stearns.
- 3961 Mr. {Stearns.} Aye.
- 3962 The {Clerk.} Mr. Stearns aye. Mr. Deal.
- 3963 Mr. {Deal.} Aye.
- 3964 The {Clerk.} Mr. Deal aye. Mr. Whitfield.
- 3965 Mr. {Whitfield.} Aye.
- 3966 The {Clerk.} Mr. Whitfield votes aye. Mr. Shimkus.
- 3967 Mr. {Shimkus.} Aye.
- 3968 The {Clerk.} Mr. Shimkus aye. Mr. Shadegg.
- 3969 Mr. {Shadegg.} Aye.
- 3970 The {Clerk.} Mr. Shadegg aye. Mr. Blunt.
- 3971 Mr. {Blunt.} Aye.
- 3972 The {Clerk.} Mr. Blunt aye. Mr. Buyer.
- 3973 Mr. {Buyer.} Aye.
- 3974 The {Clerk.} Mr. Buyer aye. Mr. Radanovich.
- 3975 Mr. {Radanovich.} Aye.
- 3976 The {Clerk.} Mr. Radanovich aye. Mr. Pitts.
- 3977 Mr. {Pitts.} Aye.

3978 The {Clerk.} Mr. Pitts aye. Ms. Bono Mack.
3979 Ms. {Bono Mack.} Aye.
3980 The {Clerk.} Ms. Bono Mack aye. Mr. Walden.
3981 Mr. {Walden.} Aye.
3982 The {Clerk.} Mr. Walden aye. Mr. Terry.
3983 Mr. {Terry.} Aye.
3984 The {Clerk.} Mr. Terry aye. Mr. Rogers.
3985 Mr. {Rogers.} Aye.
3986 The {Clerk.} Mr. Rogers aye. Mrs. Myrick.
3987 Ms. {Myrick.} Aye.
3988 The {Clerk.} Mrs. Myrick aye. Mr. Sullivan.
3989 Mr. {Sullivan.} Aye.
3990 The {Clerk.} Mr. Sullivan aye. Mr. Murphy of
3991 Pennsylvania.
3992 [No response.]
3993 The {Clerk.} Mr. Burgess.
3994 Mr. {Burgess.} Aye.
3995 The {Clerk.} Mr. Burgess aye. Ms. Blackburn.
3996 Ms. {Blackburn.} Aye.
3997 The {Clerk.} Ms. Blackburn aye. Mr. Gingrey.
3998 Mr. {Gingrey.} Aye.
3999 The {Clerk.} Mr. Gingrey aye. Mr. Scalise.
4000 Mr. {Scalise.} Aye.
4001 The {Clerk.} Mr. Scalise aye.

4002 The {Chairman.} Have all members responded to the vote?
4003 Mr. Boucher--well, you call them.
4004 The {Clerk.} Mr. Boucher.
4005 Mr. {Boucher.} No.
4006 The {Clerk.} Mr. Boucher votes no. Mr. Engel.
4007 Mr. {Engel.} No.
4008 The {Clerk.} Mr. Engel votes no. Mr. Rush.
4009 Mr. {Rush.} No.
4010 The {Clerk.} Mr. Rush votes no. Mr. Matheson.
4011 Mr. {Matheson.} Mr. Matheson no.
4012 The {Chairman.} Clerk will announce the vote.
4013 The {Clerk.} Mr. Chairman, on that vote, the ayes were
4014 22. The nays were 36.
4015 The {Chairman.} Ayes 22, nays 36. If there is no
4016 objection, Mr. Murphy would like to be recorded as voting
4017 aye.
4018 The {Clerk.} Voting aye. Mr. Murphy aye. That will be
4019 the ayes are 23. The nays are 36.
4020 The {Chairman.} 23 ayes, 36 nos. The amendment is not
4021 agreed to. Chair recognizes the gentlelady from Ohio, Ms.
4022 Sutton, to offer an amendment. Has this amendment pertain to
4023 Title One and has it--first of all, has this--does this
4024 amendment apply to this title?
4025 Ms. {Sutton.} It does, Mr. Chairman.

4026 The {Chairman.} And let me ask the clerk. Has this
4027 amendment met the time requirement?

4028 The {Clerk.} It has, Mr. Chairman.

4029 The {Chairman.} Will the clerk report the amendment?

4030 The {Clerk.} Amendment to the amendment in the nature
4031 of a substitute to H.R. 2454 authored by Ms. Sutton of Ohio,
4032 Mr. Inslee of Washington, Mr. Dingell of Michigan, Mr. Stupak
4033 of Michigan, and Mr. Braley of Iowa. Insert after section
4034 127, the following new section. Section 128 temporary
4035 vehicle trade-in program.

4036 [The amendment follows:]

4037 ***** INSERT 4 *****

|
4038 Mr. {Walden.} Mr. Chairman.

4039 Mr. {Markey.} [Presiding] The chair recognizes the
4040 gentlelady from Ohio.

4041 Mr. {Walden.} Mr. Chairman, I reserve a point of order.

4042 Mr. {Markey.} The gentleman reserves his point of
4043 order. Would you like to make the point of order at this
4044 time?

4045 Mr. {Walden.} I will reserve it.

4046 Mr. {Markey.} Okay, the chair recognizes the gentlelady
4047 from Ohio to explain her amendment.

4048 Ms. {Sutton.} Thank you, Mr. Chairman. This amendment
4049 will create a Fleet Modernization also known as Cash for
4050 Clunkers Temporary Vehicle Trade-in Program. And as I begin
4051 my remarks, I want to thank my colleagues on the committee
4052 who have joined me as cosponsors, Representative Inslee,
4053 Chairman Emeritus Dingell, Representative Stupak and Braley.
4054 I also want to thank Chairman Waxman and Chairman Markey for
4055 working so hard to develop this compromise proposal and thank
4056 Congresswoman Candace Miller and Congressman Fred Upton for
4057 working on this concept.

4058 This Cash for Clunkers program will assist consumers to
4059 buy or lease new vehicles that are more fuel efficient. This
4060 program will help consumers. It will also improve our

4061 environment. It will also reduce our dependence on foreign
4062 oil, stimulate our economy, and help our domestic auto and
4063 related industries.

4064 Now, over the last few months, auto sales have greatly
4065 suffered. As you know, these are not ordinary times, and we
4066 must always remember that our workers are the ones who are
4067 truly suffering. And just last week, a Ford assembly plant
4068 in my district in Avon Lake informed employees that between
4069 250 and 300 workers may be laid off as the company further
4070 aligns capacity with demand.

4071 Now, this program has the potential to help change that
4072 and alleviate this and further job loss in our very important
4073 auto sector, upon which so many families in this country
4074 depend. And this amendment, this Fleet Modernization Cash
4075 for Clunkers concept, will help increase demand by providing
4076 consumers with vouchers toward the purchase or the lease of a
4077 new vehicle. And here are the details.

4078 Consumers must trade in a vehicle with a maximum
4079 combined city/highway fuel economy of 18 miles per gallon or
4080 less to be eligible for the program. Eligible consumers will
4081 receive a \$3,500 voucher toward the lease or purchase of a
4082 passenger car with the mileage improvement of at least four
4083 miles per gallon. If a consumer purchases or leases a
4084 passenger car that achieves at least 10 miles per gallon

4085 improvement over the trade-in, they will receive a \$4,500
4086 voucher.

4087 Light-duty trucks, both small and large, also qualify
4088 under this program. Small light-duty trucks must have a base
4089 of 18 miles per gallon with a mileage improvement of at least
4090 two miles per gallon over the trade-in to be eligible for a
4091 \$3,500 voucher. If the small light-duty truck's mileage
4092 improvement is at least five miles per gallon over the trade-
4093 in vehicle, a consumer will qualify for a \$4,500 voucher.

4094 Large light-duty trucks, those over 6,000 to 8,500
4095 pounds must have a base of 15 miles per gallon with at least
4096 a one mile per gallon improvement to be eligible for a \$3,500
4097 voucher. If the large light-duty truck's mileage improvement
4098 is at least two miles per gallon over the trade-in vehicle, a
4099 consumer will qualify for a \$4,500 voucher.

4100 And work trucks will also qualify, which will assist
4101 small business replace older, more polluting work trucks.
4102 This amendment will accelerate fuel savings nationwide and
4103 boost auto sales. Countries around the world have adopted
4104 cash-for-clunkers plans. Just yesterday, the United Kingdom
4105 kicked off their cash-for-clunkers program. And for the
4106 month of March, Germany's program boosted sales by 40
4107 percent, a 40-percent increase while new vehicle sales in the
4108 U.S. are down by nearly 40 percent.

4109 Last month, vehicle sales in the U.S. fell to below nine
4110 million vehicles from 17.5 million in 2005. Auto sales have
4111 not been in such a decline since 1955, and this decline
4112 jeopardizes our country's largest manufacturing industry and
4113 the millions of related jobs. But by adopting this
4114 amendment, we can preserve jobs and protect the environment
4115 at the same time.

4116 Now, recently President Obama announced that the General
4117 Services Administration will accelerate its purchase of
4118 17,600 new fuel efficient vehicles, with the overall goal of
4119 at least a 10 percent increase in fuel efficiency. I applaud
4120 his leadership and his decision that only vehicles produced
4121 by American auto companies will be part of a GSA program.

4122 This program, however, is open to all manufacturers,
4123 which is part of the compromise to ensure that this program
4124 is not delayed by WTO challenges so that consumers can begin
4125 to benefit. But I echo President Obama's comments from his
4126 April 30 address and encourage all Americans, when
4127 considering buying a car, to buy one made in the United
4128 States. Your neighbors, your friends, and our communities
4129 who depend on a tax base need us to do this.

4130 This amendment is supported by the United Auto Workers,
4131 Ohio's Governor Ted Strickland, the governors of Michigan,
4132 Colorado, Delaware, Illinois, Kansas, Kentucky, New

4133 Hampshire, Oklahoma, Vermont, West Virginia and Wisconsin.
4134 Ford, GM and Chrysler support this compromise, and President
4135 Obama has asked for Congress to send Fleet Modernization
4136 legislation to his desk.

4137 By passing this amendment, we will be one step closer.
4138 We will be one step closer to reducing oil consumption in
4139 this country and improving emissions. And we will be one
4140 step closer to preserving jobs during this recession. I urge
4141 members of this committee to join with us in supporting this
4142 amendment, and I yield back my time.

4143 Mr. {Markey.} The gentlelady's time has expired. The
4144 chair recognizes the gentleman from Texas, Mr. Barton.

4145 Mr. {Barton.} Thank you, Mr. Chairman. I don't have a
4146 major problem with this amendment. In fact, I have an
4147 amendment that is almost identical at the desk. It has a few
4148 minor differences, and I want to engage in a colloquy with
4149 the author of the amendment if she would be willing to do
4150 that.

4151 Ms. {Sutton.} Certainly.

4152 Mr. {Barton.} Congresswoman Sutton, I have reviewed
4153 your amendment on Cash for Clunkers. I have read many of the
4154 items contained in your amendment. I have some concerns
4155 about the language in the amendment, specifically the
4156 proposed new subparagraph 128 J 7C that requires clunker

4157 vehicles that are being traded into a dealer to achieve not
4158 more than 18 miles per gallon.

4159 In my estimation, this is an arbitrary and unwieldy
4160 requirement for the trade-in vehicle. I am not aware of any
4161 study that has pegged this number as the right number. To
4162 avoid cumbersome calculations and encourage as many trade-in
4163 vehicles as possible, would it be possible for you to modify
4164 your amendment to remove the 18-mile-per-gallon standard and
4165 replace it with a standard that the clunker car be at least
4166 eight years or older? I think this would be fairer and gets
4167 more newer vehicles on the road, which I believe is what your
4168 goal is.

4169 Under the rules of the House and this committee, I
4170 cannot offer an amendment to your amendment. You however can
4171 make a unanimous consent request to amend your own amendment.
4172 If you are willing to make this change, I believe that we
4173 could pass your amendment unanimously. I would yield to you
4174 for any response you might wish to make.

4175 Ms. {Sutton.} I thank the gentleman for the question,
4176 and I appreciate the sentiment, of course. As I introduced
4177 this proposal in its early days, I had a provision very
4178 comparable to what you suggest. After a lot of work to get
4179 this initiative to a place where we are going to pass it and
4180 we are going to get the benefits underway, that was not part

4181 of what was included in the compromise and so I think that at
4182 this moment at least we need to deal with what we have before
4183 us and move ahead and start to provide consumers with this
4184 relief, get the jobs shored up, stimulate our economy. And
4185 so that is how I would respond; although, I am sympathetic to
4186 the notion.

4187 Mr. {Barton.} Well, reclaiming my time, I am
4188 disappointed that you would not be willing to make that
4189 change because I think it would make it much simpler. But I
4190 understand if you are not willing to. I still think this is
4191 an amendment that is worthy of support. I will point out
4192 that the Barton amendment that has been worked on with
4193 Mr. Upton and Mr. Rogers and others is very similar. It is
4194 also much simpler to implement.

4195 And I guess in the interest of full disclosure, I would
4196 have to admit that I have a clunker car that is eight year
4197 older. So I would have benefited had we--I am not sure how
4198 many miles per gallon my old car gets, but probably not 18.
4199 I am probably okay either way?

4200 Anyway, I do compliment the gentlelady for her
4201 amendment. I think the Barton/Rogers/Upton amendment is
4202 preferable, but certainly this is a step in the right
4203 direction.

4204 The {Chairman.} The gentleman's time has expired.

4205 Seeking recognition, Mr. Barton, I gather that was your time
4206 you were speaking of? So on the Democratic side, anybody?

4207 Mr. {Dingell.} Mr. Chairman?

4208 The {Chairman.} Mr. Dingell.

4209 Mr. {Dingell.} Mr. Chairman, thank you. I commend the
4210 gentlewoman for her offering of this amendment, which is best
4211 titled The Fleet Modernization Amendment, and I congratulate
4212 her for her leadership in the matter. The amendment has the
4213 support of the Obama administration, the governor of the
4214 state of Michigan, the International Union of Auto Workers,
4215 Air and Space, Agricultural Workers, the UAW, Chrysler, Ford,
4216 and General Motors. It is something that has worked in
4217 California. It is something that has worked in Germany. It
4218 produces sales, but it gets old cars, dirty cars, inefficient
4219 cars off the market. It will encourage people to go in and
4220 to buy cars at a time when that is very much needed.

4221 I express to you my thanks as well as my thanks to Mr.
4222 Markey, Mr. Stupak, of course Representative Sutton, and
4223 Representative Inslee for the collaborative and collegial
4224 response that each of you have fostered during the
4225 negotiations. And the amendment as it is not constituted
4226 represents a fine value balance between environmental and
4227 economic concerns, something which I believe each and every
4228 member of this committee can and should support.

4229 In view of the unprecedented turmoil faced by the
4230 domestic auto makers and the growing imperative to halt
4231 global warming, Representative Sutton's Fleet Modernization
4232 amendment stands out as a very practical and effective
4233 mechanism by which to achieve consumer savings, reduce fuel
4234 consumption, lower carbon dioxide and criteria pollutant
4235 emissions and increase sales for a critical sector in the
4236 national economy.

4237 I thank you for your courtesy, Mr. Chairman, and I close
4238 by strongly urging my colleagues to vote in favor of
4239 Representative Sutton's eminently sensible amendment. And
4240 with three and 10 second left, I yield back the balance of my
4241 time.

4242 The {Chairman.} Thank you, Mr. Dingell. Further
4243 recognition on the amendment. Mr. Upton.

4244 Mr. {Upton.} Thank you, Mr. Chairman. I am not sure I
4245 will use my full five minutes. I too want to sign up in
4246 support of this amendment. I would join my colleague Mr.
4247 Barton, and I think we could have made it a better bill and a
4248 simpler bill for consumers to understand, though I understand
4249 that this is the best that we have. And therefore I am a
4250 strong supporter.

4251 One question I have to the author. It is my
4252 understanding that EPA has a website, www.fueleconomy.gov,

4253 and as I understand it, it is that site that consumers can
4254 verify whether their vehicle, no matter how old, meets the
4255 18-mile-per-gallon mileage. Is that correct?

4256 Ms. {Sutton.} That is my understanding as well.

4257 Mr. {Upton.} So if the combined mileage is 18 or lower,
4258 the car will qualify. We have had a real decline in consumer
4259 confidence over the last number of months, which is one of
4260 the reasons I am convinced that the auto sales have declined
4261 almost by 50 percent.

4262 Nearly two dozen countries have put this type of program
4263 in. Germany is one, South Korea, even, I think, Lithuania
4264 has put this plan on the books. And rather than seeing the
4265 continued decline in auto sales, they have gone up. This
4266 last month for all sales here in the U.S. whether it be a
4267 transplant like Toyota or whether it be a GM, Chrysler or
4268 Ford, their sales actually declined, some of them by as much
4269 as 40 percent over the previous year.

4270 The countries that have installed this type of program
4271 have seen double-digit increases, no longer double-digit
4272 declines. And that is why this amendment, I think, is very
4273 important. And one of the troubles that we have had, the
4274 president announced his support for a provision like this
4275 last March. Well, we now have a number of consumers across
4276 the country saying where is it? They have a clunker, whether

4277 it be Mr. Barton's or somebody else's. They have one. They
4278 want to take it in, but they are looking at that tipping
4279 point to be able to get that discount on that vehicle from
4280 the dealer.

4281 And so I might just ask the chairman, Mr. Waxman, if we
4282 are able to pass this amendment this afternoon, knowing full
4283 well that the underlying bill won't likely get to the
4284 president for some time. Is there a possibility that we
4285 might bring this amendment separately so that to those
4286 consumers that are perhaps waiting to get that best deal on
4287 their GM or Chrysler--hopefully they are back--Ford, Toyota,
4288 Honda, if they might have some assurance that by the 1st of
4289 or 15th of June or something like that, we can actually get a
4290 bill to the president, knowing that he stands in full support
4291 of this amendment.

4292 The {Chairman.} Would the gentleman yield to me?

4293 Mr. {Upton.} I will.

4294 The {Chairman.} I think you make a good case and I am
4295 going to consider it. On the other hand, this does help move
4296 this bill forward because I think it makes the bill even
4297 stronger, but I will certainly be glad to talk to you further
4298 about and others as well because I think you set out some
4299 good reasons.

4300 Mr. {Upton.} Thank you. I yield back, Mr. Chairman.

4301 The {Chairman.} The gentleman yields back his time.
4302 Any further discussion? Who is seeking recognition? Mr.
4303 Braley.

4304 Mr. {Braley.} Thank you, Mr. Chairman. My uncle was a
4305 Chevrolet dealer in my hometown of Brooklyn, Iowa, for about
4306 60 years, and that dealership no longer exists, in large part
4307 because of what is happening to our domestic automobile
4308 industry. Many rural automobile dealers sell pickup trucks
4309 and light-duty trucks that are defined in the Act as category
4310 1 trucks, category 2 trucks, which includes large vans or
4311 large pickup trucks and work trucks which are category 3
4312 trucks. So the reason why I wanted this Cash for Clunkers
4313 bill introduced and why I was proud to be one of the sponsors
4314 of this bill is because of what has happened to automobile
4315 dealers all over this country. It has had a devastating
4316 impact on our communities, devastating impact on our economy,
4317 and we need this bill to purchase new fuel-efficient cars and
4318 trucks and help boost our economy and save American jobs.

4319 That is why on March 17 I was proud along with
4320 Congresswoman Sutton to introduce similar legislation, the
4321 Consumer Assistance to Recycle and Save Cars Act, and I am
4322 pleased that the Administration has supported this concept
4323 and that we now have some very good compromise language that
4324 is going to address the balanced views of the auto industry

4325 and environmentalists alike, and Congresswoman Sutton has
4326 explained the mechanics of this program but it is very
4327 important to note that this concept that we are talking
4328 about, cash for clunkers, fits in perfectly with the American
4329 Clean Energy and Security Act because it will save American
4330 jobs, boost our economy and decrease our dependence on
4331 foreign oil. It also achieves the multiple goals of giving
4332 consumers a break to purchase more fuel-efficient vehicles
4333 while we all benefit from a reduction of greenhouse gases and
4334 save American jobs by jump-starting the auto industry. And
4335 we know this works. As Congresswoman Sutton mentioned,
4336 Germany in the last month had a 40 percent increase in its
4337 sales of vehicles just from a year ago and in February had a
4338 20 percent improvement. This bill will make a difference in
4339 our economy. It will save families money and decrease our
4340 dependence on foreign oil, and that is why I encourage all of
4341 my colleagues to support it, and I yield back the balance of
4342 my time.

4343 The {Chairman.} Thank you, Mr. Braley. Any further
4344 discussion? Mr. Shadegg.

4345 Mr. {Shadegg.} Thank you, Mr. Chairman. I probably
4346 won't take 5 minutes either. I just want to ask a couple
4347 questions of the sponsor of the amendment. She indicated
4348 that it would apply only to American-made automobiles. I am

4349 looking for the language that defines American made or if you
4350 could clarify that for me, please? I would be happy to
4351 yield.

4352 Ms. {Sutton.} Thank you. Actually that isn't what I
4353 said so you might have misunderstood what I said. This bill
4354 is open to cars manufactured outside of the United States as
4355 well. It certainly is a bill that will allow our domestic
4356 auto manufacturers to robustly participate, which was a
4357 critical component of making sure that this program was going
4358 to have the desired effect because shoring up jobs in the
4359 domestic auto industry is a key component of this bill.

4360 Mr. {Shadegg.} Thank you. I appreciate that
4361 clarification. Second, on page 18 of the bill, it says that
4362 the term ``qualifying lease'' means a lease of an automobile
4363 for a period of not less than 5 years. It is my
4364 understanding that many automobile leases are for 3 and 4
4365 years. Is there a reason why that was selected and are you
4366 amenable to a change to that or is there a policy decision
4367 behind 5 years? And I would be happy to yield again.

4368 Ms. {Sutton.} I thank the gentleman. Again, it is all
4369 part of the balance of this bill to ensure that we are open
4370 to participation that allows obviously us to be compliant
4371 with our obligations under the WTO but also allows all of our
4372 manufacturers to participate robustly. And so 5 years was

4373 the amount of time that those who were actively involved in
4374 drafting the bill came up with.

4375 Mr. {Shadegg.} Reclaiming my time. So if some company
4376 engages in lots of leases of 3 years or 4 years, they
4377 apparently weren't involved in those negotiations and you are
4378 not open to changing that term?

4379 Ms. {Sutton.} Again, I can't really say that they
4380 weren't involved in the negotiations. There was certainly
4381 discussion about all of these provisions and this is the
4382 consensus compromise that was reached to get this program off
4383 the ground, to make sure that all of those out there, all who
4384 participate and dealers who sell cars of every stripe can
4385 participate. So that is what I am saying to you. We had a
4386 lot of input from people from various corners and so I am
4387 sure that they were involved.

4388 Mr. {Shadegg.} Thank you very much. Reclaiming my
4389 time. So it does not apply to leases of under 5 years. My
4390 next question is, there appears to be no income exclusions so
4391 the amount of income of the individual who brings in the
4392 clunker is not a factor? It wouldn't matter if they were a
4393 multibillionaire?

4394 Ms. {Sutton.} Again, while I am sympathetic to that
4395 idea and certainly have discussed it, there is a limit on the
4396 price of the automobile, \$4,500, and that is intended to deal

4397 with the same issue that you are raising.

4398 Mr. {Shadegg.} But no limit on the income of the--

4399 Ms. {Sutton.} That is correct.

4400 Mr. {Shadegg.} My last question goes to page 19. It
4401 talks about an authorization of appropriations of, I believe,
4402 \$4 billion. Is that correct?

4403 Ms. {Sutton.} That is correct.

4404 Mr. {Shadegg.} Has there been an estimate or a
4405 calculation of the take-up rate at the prices per vehicle of
4406 the subsidy and could you explain to the committee how the
4407 figure of \$4 billion was derived? Or if counsel could do
4408 that since--

4409 Ms. {Sutton.} Basically this program is intended to
4410 provide for about 1 million cars.

4411 Mr. {Shadegg.} Counsel, do you know how the figure of
4412 \$4 billion was selected and is there reason to believe that
4413 will cover all the cars?

4414 {Counsel.} The number was picked based on consultation
4415 with the Administration's economists and taking a look at
4416 what other programs in other countries had done, and the best
4417 estimate we could come up with for the program was
4418 approximately--over the year it would be authorized to be
4419 about a million cars that would be taken up with an average
4420 voucher of about \$4,000 each.

4421 Mr. {Shadegg.} Thank you very much, Mr. Chairman. I
4422 yield back.

4423 Mr. {Barton.} Would the gentleman yield?

4424 Mr. {Shadegg.} I would be happy to yield to the
4425 gentleman from Texas.

4426 Mr. {Barton.} I am going to ask a question of the
4427 author of the amendment because I am very supportive but in
4428 the Barton amendment, we don't have a requirement that you
4429 only participate if you get a 5-year lease. You don't have
4430 a--if somebody purchases a car under this program, they can
4431 purchase it with cash, they can purchase it for any length of
4432 time and there is no limitation. Why do you have a 5-year
4433 lease requirement? I don't understand the policy. What I am
4434 saying is, if you purchase, there is no requirement on the
4435 loan repayment. Why do we have a requirement that the only
4436 ones that qualify if they lease it is for 5 years?

4437 Mr. {Stupak.} Would the gentleman yield on that point?

4438 Mr. {Barton.} I will be happy to yield to whoever can
4439 answer.

4440 Mr. {Stupak.} When we are doing the negotiations on
4441 this part, this really puts leases on the same footing as the
4442 new car purchasers. The average new car is financed for a 5-
4443 year period. So we felt it would be unfair if you allowed
4444 someone to receive a \$4,500 voucher for about a 2- or 3-year

4445 lease. They really wouldn't have any investment in it
4446 because it would mean the voucher would almost cover the
4447 entire cost of the lease. So then the consumer could just
4448 turn around and get another clunker. So that is why we made
4449 it 5 so it the same as the new car. Manufacturers do offer
4450 5-year leases. You can get a 5-year lease. So we made it
4451 even so it is even footing with the new car, and we are
4452 afraid if you did it for every 2 to 3 years you got \$4,500,
4453 you would have nothing invested. You would just cover the
4454 cost of your lease and no other investment into it.

4455 Mr. {Barton.} I don't know how--I mean, I know that
4456 this has been negotiated but I would hope that we could have
4457 some ability to change that before this bill goes, if it goes
4458 somewhere, because there are lot of people that lease for 3
4459 years, and in the case of a Congressional lease, it has to be
4460 for 2 years if you lease a Congressional vehicle. And I
4461 guarantee you, the lease cost per month of a \$40,000 vehicle
4462 is over \$1,000 a month, so you are going to have more than
4463 \$4,500 invested.

4464 Mr. {Stupak.} Well--

4465 Mr. {Barton.} It is a minor point but--

4466 Mr. {Stupak.} Yes, but--

4467 The {Chairman.} The gentleman's time has expired.

4468 Mr. {Stupak.} Just 30 seconds.

4469 The {Chairman.} Yes.

4470 Mr. {Stupak.} You can't do it out of your office
4471 account because you have to be the registered applicant.

4472 Mr. {Barton.} I understand. I don't think any
4473 Congressman would try to lease a Congressional--

4474 Mr. {Stupak.} Well, I just want to make sure. I don't
4475 want to do oversight on that.

4476 Mr. {Barton.} But there are many people who do want to
4477 lease a vehicle for less than 5 years.

4478 Mr. {Stupak.} Yes, but--

4479 Mr. {Barton.} Don't put a requirement in the Sutton
4480 amendment that if you don't pay cash, you have to have a loan
4481 for 5 years.

4482 Mr. {Stupak.} But if you are turning your car over
4483 every 2 or 3 years, that is not really clunkers, plus the
4484 idea is, I don't want someone just to get a \$4,500 lease so
4485 they don't have any financial investment in this lease. I
4486 mean, we are not doing it just to make sure you have a nice
4487 car.

4488 Mr. {Upton.} Would the gentleman yield?

4489 Mr. {Stupak.} Go ahead.

4490 The {Chairman.} The gentleman's time has expired.

4491 Mr. {Upton.} If I might ask just one additional
4492 question?

4493 The {Chairman.} Without objection.

4494 Mr. {Upton.} I just might note that in reading the
4495 bill, there is a sunset provision, number one, only 1 year,
4496 and number two, that an owner is only eligible to do this one
4497 time. So that would prevent--

4498 Mr. {Stupak.} The registered owner.

4499 Mr. {Upton.} Correct, only one time.

4500 Mr. {Stupak.} So it could be you and your wife.

4501 Mr. {Upton.} Well, that would be two owners if the car
4502 was--

4503 Mr. {Stupak.} How is the car registered. That is sort
4504 of the key.

4505 Mr. {Upton.} So one owner, one listed as the owner
4506 whether--

4507 Mr. {Stupak.} Right.

4508 Mr. {Upton.} --whether it is joint ownership or what.

4509 Mr. {Stupak.} Correct.

4510 Mr. {Upton.} But it also has only a 1-year sunset so if
4511 the sunset is next March it would be less than 1 year.

4512 Mr. {Stupak.} True.

4513 Mr. {Upton.} And only one vehicle at a time so only one
4514 vehicle. You can't turn in two clunkers for one new vehicle
4515 or one lease.

4516 The {Chairman.} Mr. Terry, you wanted to speak on this.

4517 Mr. {Terry.} Yes, thank you. In regard to the initial
4518 discussion by Ranking Member Barton on age versus mileage, I
4519 would encourage us to continue this discussion. If you look
4520 at the EPA's fuel economy website that Mr. Upton mentioned, I
4521 have looked at that, and what you find on this website by the
4522 EPA is that age of a car is directly related to the amount of
4523 emissions, and I thought that was what this bill was about
4524 was reducing the CO2 emissions. For example, from memory o
4525 this website, you can take a 4-year-old 4-cylinder like my
4526 Camry and from the 2004 version to the 2008 or 2009 version,
4527 you have almost a 60 percent reduction of emissions. So
4528 basing it on the number or the age of the vehicles actually
4529 lowers emissions more than by fuel standards alone. So I am
4530 wondering if that type of discussion occurred amongst the
4531 authors of this amendment, if they felt that they could
4532 actually accomplish more by the age, and I would yield to Ms.
4533 Sutton or any of the other authors. All right. I will come
4534 back.

4535 Mr. Upton, you are from Michigan. I was just wondering
4536 why none of the Republican side are cosponsors. You sounded
4537 supportive. Why weren't you included?

4538 Mr. {Upton.} You need to ask the sponsors. I am a
4539 cosponsor of the bill as was introduced on the Floor and I am
4540 cosponsor with my colleague, Candice Miller, on this issue as

4541 it was described by Mr. Barton and really the--

4542 Mr. {Terry.} And now I have two questions for you. One
4543 is--you are eating up my time.

4544 Ms. {Sutton.} I apologize. Yes, obviously this issue
4545 has been discussed, and as I said, it was drafted that way
4546 when I introduced the CARS Act on the Floor. Again, this
4547 bill is intended to have multiple goals which can't be
4548 sacrificed certainly. The jobs component is uppermost in my
4549 mind and I think in the outcome on this measure. We also do
4550 want to achieve environmental integrity as well as helping
4551 the consumers when they need it the most, and I know that you
4552 know as well as I do how much they need it out there. So it
4553 really is a matter of some things remained and some things
4554 did not but certainly that was part of the robust discussion.

4555 Mr. {Terry.} And the other question, why were none of
4556 the Republicans from auto industry area included in your
4557 amendment?

4558 Ms. {Sutton.} Well, I have to tell you that certainly
4559 Representative Upton, as he made very clear, Representative
4560 Upton and Representative Miller and others have been robustly
4561 involved in the development of the concept.

4562 Mr. {Terry.} So did they turn you down?

4563 The {Chairman.} Mr. Terry, will you yield to me?

4564 Mr. {Terry.} Yes.

4565 The {Chairman.} I think all members of this committee
4566 will have an opportunity to express their view on this
4567 amendment and I know we will get Republican as well as
4568 Democratic support.

4569 Ms. {Sutton.} I would welcome--

4570 Mr. {Terry.} Reclaiming my time. Unfortunately, I just
4571 really feel that this committee has lost any of its abilities
4572 to be bipartisan. I think this is an example of it. Mr.
4573 Chairman, one of the things that I have heard from my dealers
4574 is that this provision, not specifically this one here before
4575 us but the clunkers for cash is actually hurting business
4576 right now because people are waiting for this to pass, and
4577 since the Senate has already said they aren't taking up this
4578 bill, I am wondering if we are hurting our dealers even more
4579 by including this in a bill that is never going to pass. I
4580 am wondering of the Senate has agreed to pass a stand-alone
4581 bill and maybe we should join them with a stand-alone bill,
4582 and I would recommend, Mr. Chairman, that this amendment be
4583 withdrawn and we could bring it up as a stand-alone amendment
4584 and maybe do it in a bipartisan manner.

4585 The {Chairman.} Will the gentleman yield to me?

4586 Mr. {Terry.} I yield.

4587 The {Chairman.} If we are not acting in a bipartisan
4588 way, it is not because of the reluctance on our part to ask

4589 for Republicans to be involved. We try to involve you, and
4590 you may not be for the bill. If you like this provision, you
4591 ought to vote for this provision. If you like some
4592 amendments, vote for them. If you don't like other
4593 amendments, vote against them. If you don't want to vote for
4594 the bill overall, then don't vote for it.

4595 Mr. {Terry.} Reclaiming my time.

4596 The {Chairman.} Members have been invited to be part of
4597 the--

4598 Mr. {Terry.} Reclaiming my time, Mr. Chairman.

4599 The {Chairman.} It is your time.

4600 Mr. {Terry.} In this instance, we have members from the
4601 Michigan delegation that are involved on another bill
4602 including the one that Ms. Sutton is involved with and still
4603 they weren't asked to participate.

4604 The {Chairman.} The gentleman's time has expired. Is
4605 there further discussion?

4606 Mr. {Shimkus.} Mr. Chairman.

4607 The {Chairman.} The gentleman from Illinois.

4608 Mr. {Shimkus.} Thank you, Mr. Chairman, and I will be
4609 short. Just a couple things. I notice in this amendment we
4610 actually have an amount of \$4 billion versus in the 932-page
4611 bill many times we have ``such sums as may be necessary.'' So
4612 I would ask the author, why did she decide to put \$4 billion

4613 in the amendment and not use the terminology ``such sums as
4614 may be necessary''?

4615 Ms. {Sutton.} I thank the gentleman for his question.
4616 The answer is the same. I mean, we said \$4 billion because
4617 the economists suggested to us that this was the number that
4618 would cover a million cars if they were--

4619 Mr. {Shimkus.} So you went--in part of your
4620 negotiations, you went to an economist to get a score and you
4621 calculated that there is actually an amount out there that we
4622 could put in parameters so when we vote for the amendment we
4623 actually know what we are voting for and the authorization.
4624 Is that safe to say?

4625 Ms. {Sutton.} Yes.

4626 Mr. {Shimkus.} Thank you. And I just wish we would
4627 have done that consultation more on the 10 or 14 or 15 other
4628 places in the bill where we have the terms ``such sums as may
4629 be necessary,'' so I applaud you for doing that.

4630 The other thing, Mr. Chairman, this is \$4 billion. I
4631 mean, this is not chump change, and you have me at a
4632 disadvantage because I am an owner of a clunker, so what we
4633 are asking is really the taxpayers to provide me with \$3,500
4634 or \$4,500 of their money to me to add in the price of a
4635 vehicle that has no value.

4636 Ms. {Sutton.} Will the gentleman yield?

4637 Mr. {Shimkus.} Yes.

4638 Ms. {Sutton.} There is no requirement that you
4639 participate in this program.

4640 Mr. {Shimkus.} That is right. So I will be like all
4641 the rest of Americans who will look at taking a value and
4642 having the taxpayers fund a vehicle of value which has no
4643 value. That is in essence what we are doing, and I am at a
4644 disadvantage. I will probably pass on this vote because I
4645 will personally benefit if and when this becomes law.

4646 The {Chairman.} Will the gentleman yield?

4647 Mr. {Shimkus.} I would yield.

4648 The {Chairman.} You don't have to take advantage of the
4649 program but you are compelled to pay taxes to fund it.

4650 Mr. {Shimkus.} But if I want to be a great
4651 environmental steward, Mr. Chairman, as you know I do, I
4652 would be compelled because of my great concern for the
4653 environment to move from my clunker to a more efficient light
4654 vehicle truck.

4655 The {Chairman.} You don't have to ask us to pay for it.

4656 Mr. {Shimkus.} The taxpayers are going to pay for it so
4657 you don't have--

4658 Mr. {Markey.} Will the gentleman yield?

4659 Mr. {Shimkus.} I would be happy to yield.

4660 Mr. {Markey.} Thank you. And that is what we are

4661 trying to do. We are trying to get you to say okay, I am
4662 driving a vehicle getting 12 miles a gallon, it is old, it is
4663 15 years ago, it was another era, an era of cheap gasoline,
4664 and now you know, I am going to go out and buy a 30-mile-a-
4665 gallon vehicle, and this program is going to kind of put me
4666 over the edge to break the old patterns of the kinds of
4667 vehicles which I purchased, and I think that program is the
4668 kind of program that we want people, not you necessarily but
4669 people like you to participate in as we turn the corner and
4670 move to this new more fuel-efficient era.

4671 Mr. {Shimkus.} And just to be clear, the taxpayers are
4672 helping us to do that. It is the taxpayers' burden. We are
4673 asking taxpayers to fund the purchase of new cars for
4674 everyone. There is no income exclusion. For everyone.

4675 Mr. {Markey.} Will the gentleman yield?

4676 Mr. {Shimkus.} I would.

4677 Mr. {Markey.} Yes, the truth is, it is a win for the
4678 consumer, it is a win for backing out all the oil that
4679 otherwise we would import, and it is a win for the car
4680 dealers in getting them up and going again and buying
4681 advertising in the local papers and local TV stations and
4682 keeping their people employed. It is a win-win-win.

4683 The {Chairman.} Will the gentleman yield?

4684 Mr. {Shimkus.} And the taxpayer.

4685 The {Chairman.} Well, we hope it is a win also for the
4686 workers who are going to have their jobs and when they are
4687 working they will pay taxes and they will make this economy
4688 stronger.

4689 Mr. {Shimkus.} As I said, Mr. Chairman, you have me at
4690 a disadvantage with this amendment. I yield back.

4691 The {Chairman.} Mr. Inslee.

4692 Mr. {Inslee.} Thank you. Just a quick point. I don't
4693 have any auto workers in my district but I think this
4694 provision demonstrates something that is important in this
4695 bill, and that is, we are all moving together and we all
4696 recognize we have problems economically and national security
4697 environmental together and we are not going to move unless we
4698 move together, and I had introduced a bill with Steve Israel
4699 that had a much more aggressive sort of green component of
4700 this bill but we found a consensus. It is going to help the
4701 country move forward together and is it going to help the
4702 devastated industry move forward. And I may note that this
4703 consensus we reached has been criticized by some folks on the
4704 green side of the agenda. They have argued that it doesn't
4705 help the lifecycle cost of these cars because you have to
4706 manufacture a car that has CO2 associated with it when you
4707 manufacture it. To those critics, I want to point out that
4708 the cars we are helping here get off the lot largely have

4709 already been manufactured, and it is not a lifecycle cost
4710 issue, it is a cost of moving forward. This is a good
4711 amendment. I hope everybody votes for it. Thanks.

4712 The {Chairman.} Is there further discussion of the
4713 pending amendment? Mr. Buyer.

4714 Mr. {Buyer.} Move to strike the last word. I just have
4715 some questions for clarification for myself. Ms. Sutton, I
4716 would be willing to yield to you. I would like to make sure
4717 that I understand. This would be an American citizen whom
4718 would own either an American-made vehicle or truck, an import
4719 or one manufactured at a transplant automobile factory in the
4720 United States?

4721 Ms. {Sutton.} I am sorry, Representative. Maybe you
4722 weren't in the room when I explained it but--

4723 Mr. {Buyer.} I was in the room. I am asking for
4724 clarification.

4725 Ms. {Sutton.} Oh, okay. No, this amendment is open to
4726 manufacturers both in the United States and beyond.

4727 Mr. {Buyer.} All right. Then that answers that
4728 question. Any type of vehicle that is driven on the road
4729 here in the United States manufactured anywhere in the world
4730 would be eligible under this?

4731 Ms. {Sutton.} No, that is incorrect. Would the
4732 gentleman yield?

4733 Mr. {Buyer.} Sure.

4734 Ms. {Sutton.} Well, certainly there are other parts to
4735 this amendment. There are certainly fuel emissions standards
4736 attached to it and there are limits on the price of the
4737 vehicle that can be used and there are other limits within
4738 the amendment.

4739 Mr. {Buyer.} I got it. Since agriculture has been
4740 exempted out of this bill and now you have added this
4741 amendment, in order for this to be germane, are you also
4742 exempting farm trucks and grain trucks from this amendment?

4743 Ms. {Sutton.} No, I am not exempting anything, and I am
4744 not really certain about the first statement you made about
4745 agriculture or otherwise. So perhaps I am not the right
4746 person to answer this question.

4747 Mr. {Buyer.} Let me ask--

4748 Ms. {Sutton.} Mr. Braley, however--

4749 Mr. {Buyer.} Let me ask counsel. Counsel, would farm
4750 trucks and grain trucks be included in this under category 2
4751 and category 3 of the definition of trucks?

4752 {Counsel.} The amendment doesn't break down, doesn't
4753 specify the type of vehicle by use and which vehicles are
4754 eligible by use. Vehicles fall into categories and there are
4755 vehicles--work trucks are eligible to be turned in and traded
4756 for and receive a voucher for--

4757 The {Chairman.} Would counsel please talk into the
4758 microphone?

4759 Mr. {Buyer.} So to counsel, I just want to make sure
4760 that we are not incongruent. We have a bill that exempts
4761 agriculture under cap and trade yet there is an amendment
4762 here that will include agricultural pickup trucks and grain
4763 trucks and things that are used on the farm.

4764 {Counsel.} It would include any work truck up to 10,000
4765 pounds.

4766 Mr. {Buyer.} Does this category 3 truck to counsel, are
4767 these--when you say work truck category 3, are these also
4768 dump trucks?

4769 {Counsel.} They are all vehicles up to--all trucks up
4770 to 10,000 pounds. I don't believe there are any dump trucks
4771 that fall into that category.

4772 The {Chairman.} It would not be then.

4773 {Counsel.} These are primarily large pickup trucks.

4774 Mr. {Buyer.} And it doesn't matter with regard to the
4775 engine whether it is a diesel engine or a regular gasoline
4776 engine? It doesn't matter, does it?

4777 {Counsel.} It does not, as long as its meets relevant
4778 standards.

4779 Mr. {Buyer.} Thank you. I yield back.

4780 Mr. {Murphy of Pennsylvania.} Will the gentleman yield?

4781 The {Chairman.} You are asking me to yield?

4782 Mr. {Murphy of Pennsylvania.} Well, I just--

4783 The {Chairman.} Mr. Buyer, have you yielded back your
4784 time or do you want to yield to Mr. Murphy?

4785 Mr. {Buyer.} Sure.

4786 Mr. {Murphy of Pennsylvania.} I thank the gentleman. I
4787 just have a quick question for Ms. Sutton on this regarding
4788 this bill. With regard to the types of automobiles that will
4789 be involved in this, we recognize that some of the imported
4790 vehicles may come from countries that themselves have a large
4791 carbon output in their own manufacturing, et cetera, which
4792 should concern us, especially regarding the discussion we
4793 just had about manufacturing and concern about other vehicles
4794 coming over or other steel coming over, other products and
4795 putting tariffs on them, et cetera. And I don't know if
4796 there is anything in this that actually protects--a lower-
4797 priced vehicle may come from another country that has no
4798 pollution controls in their plants, et cetera. I was
4799 wondering if the gentlelady would consider putting anything
4800 in this that would restrict it to either countries that have
4801 a smaller carbon output or at least vehicles assembled in the
4802 United States. I yield to the gentlelady for an answer.

4803 Ms. {Sutton.} And I thank the gentleman for his
4804 question and I appreciate your commitment on this issue

4805 because I know that it extends beyond what we are discussing
4806 here today. The answer on this particular amendment is, that
4807 is not protected in this amendment. However, I will say to
4808 you that this is not the be all, end all, only thing we ever
4809 have to do, and so I continue that fight with you outside the
4810 parameters of this amendment.

4811 Mr. {Murphy of Pennsylvania.} The fight that we are on
4812 the same side?

4813 Ms. {Sutton.} Yes.

4814 Mr. {Murphy of Pennsylvania.} Yes.

4815 Ms. {Sutton.} Thank you. I yield back.

4816 The {Chairman.} The gentleman's time has expired.

4817 Mr. {Buyer.} Can I just have--

4818 The {Chairman.} Yes, the gentleman for--

4819 Mr. {Buyer.} I want to ask the gentlelady one question.
4820 There are actual businesses out there, Ms. Sutton, that Rent
4821 a Wreck, and would it be your intention that these types of
4822 businesses do not use this provision for fleet replacement?
4823 I am just rather curious. You know, every time we create a
4824 program, someone tries to take advantage of what we create,
4825 and I was just curious.

4826 Ms. {Sutton.} I am not certainly exactly that would
4827 work with Rent a Wreck because when you trade in a vehicle,
4828 the vehicle's drive train and engine are destroyed, so I am

4829 not really sure exactly what your question is.

4830 Mr. {Buyer.} Well, they would--

4831 The {Chairman.} Will the gentleman yield to me?

4832 Mr. {Buyer.} I would.

4833 The {Chairman.} I think Mr. Upton raised the point, as
4834 he expressed it, this is one person, one registered owner for
4835 one year has this opportunity.

4836 Mr. {Buyer.} Okay, as opposed to a commercial
4837 individual who may be a fleet. Okay. That is helpful to me.
4838 Thank you very much.

4839 The {Chairman.} Is there further discussion on the
4840 amendment?

4841 Mr. {Walden.} Mr. Chairman.

4842 The {Chairman.} Let me see if there is anybody on the
4843 Democratic side, not that you have to speak, and on the
4844 Republican side, not that you have to speak but if you are
4845 seeking recognition. Mr. Walden, do you wish to pursue your
4846 point of order?

4847 Mr. {Walden.} No. At this point I would request to
4848 strike the requisite number of words.

4849 The {Chairman.} Do you withdraw your point of order on
4850 this amendment?

4851 Mr. {Walden.} Yes, I would withdraw my point of order.

4852 The {Chairman.} The gentleman is recognized for 5

4853 minutes to speak on the amendment.

4854 Mr. {Walden.} Thank you, Mr. Chairman. I just have a
4855 question of counsel. Who gets the credit for the voucher?
4856 Is there an income issue here from a tax perspective? I know
4857 when we give a tax credit for a vehicle, there is an income
4858 issue. Is there a value associated with somebody for this
4859 voucher, and if so, who?

4860 {Counsel.} Right now the amendment is silent on that
4861 issue.

4862 Mr. {Walden.} So does that mean it is a taxable event
4863 to the dealer or to the individual?

4864 {Counsel.} I believe our intention is--

4865 Mr. {Walden.} I can't--you have to get real close to
4866 these mics is the problem.

4867 {Counsel.} I believe our intention is that it would be
4868 neither.

4869 Mr. {Walden.} That is your intention but the amendment
4870 is silent. So therefore at the present time it is a taxable
4871 event and I assume that is the case because we lack the
4872 jurisdiction to deal with the taxable issue. Is that
4873 correct? Maybe Ms. Sutton, that is probably better because
4874 it is more of a ``strategery'' issue here.

4875 Ms. {Sutton.} That is correct.

4876 Mr. {Walden.} Okay. So how do we know--part of the

4877 reason I ask that is, obviously this is designed to incent
4878 people to buy vehicles, I get that, that is easy, just like
4879 the tax credits are for hybrid vehicles. Unfortunately, we
4880 bump up against the AMT, some people do in America, and those
4881 are probably going to race out and buy cars based on this,
4882 have jobs and may be the ones in the income category that
4883 will bump up against AMT which negates the effect, in the
4884 case of hybrids, the tax credit, you lose it and so it
4885 doesn't help, and what I am trying to figure out is, how do
4886 you thread that needle here if you are not doing it in this
4887 bill?

4888 Ms. {Sutton.} We have to work with those who have the
4889 capacity to do that in other venues.

4890 Mr. {Walden.} And have you had any discussions with
4891 those in other venues who have that capacity or gavel?

4892 Ms. {Sutton.} That is what I meant, the Ways and Means
4893 Committee.

4894 Mr. {Walden.} And are they willing to work with you on
4895 this?

4896 Ms. {Sutton.} Absolutely.

4897 Mr. {Walden.} And work with you in a way that you are
4898 satisfied there will not be an AMT consequence to this bill?

4899 Ms. {Sutton.} Well, you know, I can't speak for them.
4900 All I can do is work with them and continue that mission and

4901 I would certainly appreciate your support as well.

4902 Mr. {Walden.} Well, for this to be very effective, I
4903 would hope that that would be addressed. Otherwise you have
4904 a de facto income limit in the bill.

4905 Mr. {Stearns.} Will the gentleman yield?

4906 Mr. {Walden.} Mr. Chairman, I would be happy to yield
4907 to my friend from Florida.

4908 Mr. {Stearns.} If it turns out that you have a home in
4909 which you sell it for less than the mortgage and the bank
4910 forgives the balance, you have to declare it as ordinary
4911 income. So wouldn't the taxpayer who goes in to buy a new
4912 car and gets a reduction in the price and then the government
4913 wires the money to the dealer after he shows that he sold to
4914 me this car, the money wired, wouldn't I have to declare
4915 ordinary income on that?

4916 {Counsel.} It is not our intention that that would be
4917 the case.

4918 {Counsel.} But isn't that--legally, wouldn't the IRS
4919 say okay, Mr. Stearns got an ordinary income. The negotiated
4920 price was, let us say, \$25,000 and after this the difference
4921 would be--I would have to pay ordinary income, wouldn't I?

4922 {Counsel.} I don't know, to be honest with you.

4923 Mr. {Stearns.} Well, how are they doing it in Germany?

4924 {Counsel.} I think we have to--

4925 Mr. {Stearns.} What about the author of the bill? Can
4926 she tell us what they are doing in Germany? It has been
4927 quoted that other countries are doing this. How are they
4928 doing this? Does the buyer of the automobile have to pay
4929 ordinary income on the difference? Does anyone know, either
4930 the author of the amendment or anyone? Deaf ears. Okay.

4931 Mr. {Walden.} I need to reclaim my time for one other
4932 quick question. Is there anything in here that prevents the
4933 seller of the new vehicle from using only this voucher
4934 reduction amount as the negotiated piece? In other words,
4935 people can come in and the taxpayers are going to write down
4936 \$4,500 per car, \$4,000 per car or whatever it is. Doesn't
4937 that give the dealer then the ability to just go off list
4938 price? I as the buyer am still going to come in \$4,000 below
4939 and the seller of the vehicle--I know they can't charge an
4940 additional fee. I know there is a limit. Is there anything
4941 in there that says how they negotiate this deal? It looks to
4942 me like you could have a real windfall. I would yield to my
4943 colleague from--

4944 Mr. {Upton.} Could I just ask, this discussion is
4945 getting a little prolonged. Can I ask an additional 2
4946 minutes for the gentleman from Oregon?

4947 The {Chairman.} Will that shorten the time or prolong
4948 it?

4949 Mr. {Upton.} I hope it will shorten.

4950 Mr. {Walden.} I would assume it prolongs it but it
4951 might be good.

4952 Mr. {Upton.} And let me just say this--

4953 The {Chairman.} Without objection, the gentleman will
4954 be given 2 additional minutes.

4955 Mr. {Upton.} And I might say to the gentlelady--

4956 The {Chairman.} Do you wish to yield to Mr. Upton?

4957 Mr. {Walden.} I suppose.

4958 Mr. {Upton.} If the gentlelady from Ohio would listen
4959 and my friend, Mr. Stupak, as well, as I understand this,
4960 there should be no consequence to the purchaser of the new
4961 car. The purchaser is going to go to their favorite car
4962 dealer, they are going to negotiate the best deal that they
4963 can for that new 2009 or 2010 vehicle, and at that point if
4964 they have a clunker that qualifies lower than 18 miles per
4965 gallon, the dealer will accept that are which will be
4966 scrapped within, I believe, 48 hours. They will certify that
4967 that will happen and the car will be owned, operated and
4968 driven for the previous year and the price, the best price
4969 that he or she negotiates from the dealer will be subtracted
4970 by either \$3,500 or \$4,500 depending upon the new mileage
4971 requirements, whether it is better than 4 or 10 miles per
4972 gallon, and the consumer then will, 95 percent of them will

4973 finance that car versus paying cash at that price. They
4974 won't pay--

4975 Mr. {Walden.} Can I reclaim my time for a second?

4976 Mr. {Upton.} Yes, I yield back.

4977 Mr. {Walden.} I am trying to work through this
4978 transaction in my head. I take my clunker in and I trade it
4979 in. Normally that dealer would give me some value for that
4980 clunker and that clunker, oftentimes a used car is worth
4981 quite a bit in terms of the overall sale. This used car has
4982 no value other than scrap now so instead of being worth
4983 \$10,000, it is worth whatever the scrap market is, right?

4984 Mr. {Upton.} Well, if the gentleman would yield.

4985 Mr. {Walden.} Because they have to destroy it.

4986 Mr. {Upton.} If it worth more than \$10,000, chances
4987 are, unless you want to be good for the environment like Mr.
4988 Shimkus does, you are going to want \$10,000 for it and you
4989 won't be eligible to participate in the--

4990 Mr. {Walden.} The reason I asked that is, it looks to
4991 me--well, I am going to be out of time here. But there is
4992 more that needs to be thought through on this whole idea
4993 because it looks to me like if I got a trade-in that is 5
4994 years old so it is worth \$6,000 or \$7,000--

4995 Mr. {Upton.} You will get that instead. You will not
4996 want to participate in the clunker program. You will only

4997 really want to get it if your value is less than \$4,500.

4998 Mr. {Walden.} Right, the \$4,000. As long as it doesn't
4999 have a taxable consequence.

5000 The {Chairman.} The gentleman's time is expired. There
5001 are tax issues. We don't have jurisdiction over them. Ways
5002 and Means will be reviewing this and it is not our intention
5003 that this be a taxable event but that is ultimately up to
5004 them.

5005 Mr. {Stupak.} Mr. Chairman, can I strike the last word?

5006 The {Chairman.} Yes.

5007 Mr. {Stupak.} You know, on this whole thing about
5008 vouchers as taxable and all that, dealers right now and the
5009 manufacturers are offering you discounts. Some are equal to
5010 this amount here. You don't claim that on your income tax.
5011 That is not going to trigger the AMT for you. If you get a
5012 discount, you don't say oh, General Motors gave me this
5013 discount, therefore, I have to claim it on my income tax.
5014 This voucher program is basically the same thing. You don't
5015 have to claim it on your tax or get bumped into a new tax
5016 bracket because you got \$4,500. You don't declare it as
5017 income. That is sort of--no one envisions is that way. I
5018 don't know how you guys come up with that kind of idea.

5019 Mr. {Walden.} Would the gentleman from Michigan yield?

5020 Mr. {Stupak.} Yeah, go ahead.

5021 Mr. {Walden.} As a lawyer, I wasn't a tax attorney but
5022 the first premise is that there is a difference between
5023 negotiating a price down and being handed money. The IRS
5024 makes a distinction between that. So if you walked in the
5025 dealership and found \$100 bill on the floor, that is taxable
5026 income. Whether or not you claim it or not is a different
5027 thing. So when you are talking about a voucher where you are
5028 being handed money versus a negotiation where a discount is
5029 part of the negotiation, that is a whole different item and
5030 so that is the why the question of whether it was coming from
5031 the dealer or the government makes a difference in this. I
5032 yield back.

5033 Mr. {Stupak.} Either you get it from the dealer or you
5034 get it from GM if you get a discount right now. Go buy one
5035 tomorrow. You are going to get some discounts. Some of them
5036 are as much as \$6,000.

5037 Mr. {Walden.} The value of the car that you buy and it
5038 is a negotiated--

5039 Mr. {Stupak.} When you buy the car, every State is a
5040 little different. They do your sales tax. They may tax you
5041 on the total value of the car, not what you paid. Some will
5042 tax you on the value of your car minus your trade-in. So
5043 every State is a little different. And if you remember
5044 correctly, when you fill out your 1040 forms, when you do

5045 your IRS, you can actually write off that amount of that
5046 sales tax on your federal income tax. So we don't see how it
5047 is going to be a taxable event to you if you take advantage
5048 of this voucher, which you are probably putting down on your
5049 down payment on your car. I mean, you guys are really
5050 splitting hairs here. It is a good amendment. Let us
5051 support it and let us move on in this legislation.

5052 Mr. {Walden.} Would the gentleman yield?

5053 Mr. {Stupak.} Sure.

5054 Mr. {Walden.} I take a little offense to that because I
5055 am just trying to get an answer, and I heard from--

5056 Mr. {Stupak.} No, I am not--

5057 Mr. {Walden.} --the counsel that it may indeed be a
5058 taxable event and I have heard from the chairman we don't
5059 have jurisdiction, they are going to work it out.

5060 Mr. {Stupak.} How many of you bought a new car and
5061 received a manufacturer's discount and counted it on your
5062 income tax or reported it as income?

5063 Mr. {Walden.} That is the whole point. This is where
5064 the government, the taxpayers are writing somebody a check?

5065 Mr. {Markey.} Would the gentleman yield?

5066 Mr. {Stupak.} I will yield to Mr. Markey.

5067 Mr. {Markey.} Let me make it again very clear. Our
5068 intent is for this not to be a taxable event. We are going

5069 to work to the best of our ability to make that clear in our
5070 bill and we are going to work with Ways and Means and we are
5071 already in communication with the Ways and Means Committee
5072 and they have made it clear to us that they embrace our goal
5073 to ensure that it is not a taxable event. And so at the end
5074 of the process you can have pretty high assurance here that
5075 it will not be a taxable event.

5076 The {Chairman.} The gentleman yields back the balance
5077 of his time. Yes, the gentlelady from Tennessee.

5078 Ms. {Blackburn.} Thank you, Mr. Chairman. I move to
5079 strike the last word.

5080 The {Chairman.} The gentlelady is recognized.

5081 Ms. {Blackburn.} I do have a question for the sponsor
5082 of the bill pertaining to what will happen when these cars
5083 are crushed or shredded and the dealer participation in that.
5084 Reading the bill on page 7 where it gives the instructions
5085 for the vehicle to be crushed or shredded and that will
5086 include the drive train and also the engine, then a little
5087 further over on page 10 it says that the dealer will
5088 disclose--on page 9 it says the dealer will disclose to the
5089 person trading in the eligible trade-in vehicle the best
5090 estimate of the scrappage value of such vehicle and to permit
5091 the dealer to retain \$50 of any amounts paid to the dealer
5092 for scrappage. So in reading this, I want to be certain I am

5093 able to answer the question that I am getting from both my
5094 new car dealers and my used car dealers about this provision,
5095 and that is, that the dealer will bear the expense of having
5096 that car crushed or shredded. The dealer will bear that
5097 expense and that from that they can strip and sell--prior to
5098 crushing and shredding, they can strip and sell component
5099 parts of that car for scrap that they can retain as much as
5100 \$50 of that but before they go through that process they have
5101 to tell the individual that is trading that car how much they
5102 think they will get from scrap. Am I understanding that
5103 correctly?

5104 Ms. {Sutton.} Yes.

5105 Ms. {Blackburn.} Thank you. So then the dealer will be
5106 the individual who bears that cost. And I yield to the
5107 gentlelady.

5108 Ms. {Sutton.} As you described it.

5109 Ms. {Blackburn.} Thank you. I appreciate the
5110 clarification. Yield back.

5111 The {Chairman.} The gentlelady yields back the time.
5112 Are we ready for the consideration of this amendment? If so,
5113 let us proceed to a roll call vote. Those in favor of the
5114 Sutton amendment vote aye. Those opposed, vote no.

5115 The {Clerk.} Mr. Waxman?

5116 The {Chairman.} Aye.

5117 The {Clerk.} Mr. Waxman, aye. Mr. Dingell?
5118 Mr. {Dingell.} Votes aye.
5119 The {Clerk.} Mr. Dingell, aye. Mr. Markey?
5120 Mr. {Markey.} Aye.
5121 The {Clerk.} Mr. Markey, aye. Mr. Boucher?
5122 Mr. {Boucher.} Aye.
5123 The {Clerk.} Mr. Boucher, aye. Mr. Pallone?
5124 [No response.]
5125 The {Clerk.} Mr. Gordon?
5126 [No response.]
5127 The {Clerk.} Mr. Rush?
5128 [No response.]
5129 The {Clerk.} Ms. Eshoo?
5130 Ms. {Eshoo.} Aye.
5131 The {Clerk.} Ms. Eshoo, aye. Mr. Stupak?
5132 Mr. {Stupak.} Yes.
5133 The {Clerk.} Mr. Stupak, aye. Mr. Engel?
5134 [No response.]
5135 The {Clerk.} Mr. Green?
5136 Mr. {Green.} Aye.
5137 The {Clerk.} Mr. Green, aye. Ms. DeGette?
5138 Ms. {DeGette.} Aye.
5139 The {Clerk.} Ms. DeGette, aye. Mrs. Capps?
5140 Ms. {Capps.} Aye.

5141 The {Clerk.} Mrs. Capps, aye. Mr. Doyle?
5142 Mr. {Doyle.} Yes.
5143 The {Clerk.} Mr. Doyle, aye. Ms. Harman?
5144 [No response.]
5145 The {Clerk.} Ms. Schakowsky?
5146 [No response.]
5147 The {Clerk.} Mr. Gonzalez?
5148 Mr. {Gonzalez.} Aye.
5149 The {Clerk.} Mr. Gonzalez, aye. Mr. Inslee?
5150 Mr. {Inslee.} Aye.
5151 The {Clerk.} Mr. Inslee, aye. Ms. Baldwin?
5152 Ms. {Baldwin.} Aye.
5153 The {Clerk.} Ms. Baldwin, aye. Mr. Ross?
5154 Mr. {Ross.} Aye.
5155 The {Clerk.} Mr. Ross, aye. Mr. Weiner?
5156 Mr. {Weiner.} Aye.
5157 The {Clerk.} Mr. Weiner, aye. Mr. Matheson?
5158 [No response.]
5159 The {Clerk.} Mr. Barrow?
5160 Mr. {Barrow.} Aye.
5161 The {Clerk.} Mr. Barrow, aye. Mr. Melancon?
5162 [No response.]
5163 The {Clerk.} Mr. Butterfield?
5164 [No response.]

5165 The {Clerk.} Mrs. Christensen?
5166 Ms. {Christensen.} Aye.
5167 The {Clerk.} Mrs. Christensen, aye. Ms. Matsui?
5168 Ms. {Matsui.} Aye.
5169 The {Clerk.} Ms. Matsui, aye. Ms. Castor?
5170 [No response.]
5171 The {Clerk.} Mr. Sarbanes?
5172 Mr. {Sarbanes.} Aye.
5173 The {Clerk.} Mr. Sarbanes, aye. Mr. Murphy of
5174 Connecticut?
5175 [No response.]
5176 The {Clerk.} Mr. Space?
5177 Mr. {Space.} Aye.
5178 The {Clerk.} Mr. Space votes aye. Mr. McNerney?
5179 [No response.]
5180 The {Clerk.} Ms. Sutton?
5181 Ms. {Sutton.} Aye.
5182 The {Clerk.} Ms. Sutton, aye. Mr. Braley?
5183 Mr. {Braley.} Aye.
5184 The {Clerk.} Mr. Braley, aye. Mr. Welch?
5185 [No response.]
5186 The {Clerk.} Mr. Hill, I apologize. Mr. Hill?
5187 Mr. {Hill.} Aye.
5188 The {Clerk.} Mr. Hill votes aye. Mr. Barton?

5189 Mr. {Barton.} Aye.

5190 The {Clerk.} Mr. Barton votes aye. Mr. Hall?

5191 Mr. {Hall.} No.

5192 The {Clerk.} Mr. Hall votes no. Mr. Upton?

5193 Mr. {Upton.} Aye.

5194 The {Clerk.} Mr. Upton, aye. Mr. Stearns?

5195 Mr. {Stearns.} Aye.

5196 The {Clerk.} Mr. Stearns, aye. Mr. Deal?

5197 [No response.]

5198 The {Clerk.} Mr. Whitfield?

5199 [No response.]

5200 The {Clerk.} Mr. Shimkus?

5201 Mr. {Shimkus.} Present.

5202 The {Clerk.} Mr. Shimkus, present. Mr. Shadegg?

5203 Mr. {Shadegg.} No.

5204 The {Clerk.} Mr. Shadegg votes no. Mr. Blunt?

5205 [No response.]

5206 The {Clerk.} Mr. Buyer?

5207 Mr. {Buyer.} Pass.

5208 The {Clerk.} Mr. Buyer passes. Mr. Radanovich?

5209 [No response.]

5210 The {Clerk.} Mr. Pitts?

5211 Mr. {Pitts.} Aye.

5212 The {Clerk.} Mr. Pitts votes aye. Ms. Bono Mack?

- 5213 Ms. {Bono Mack.} Aye.
- 5214 The {Clerk.} Ms. Bono Mack, aye. Mr. Walden?
- 5215 Mr. {Walden.} Aye.
- 5216 The {Clerk.} Mr. Walden votes aye. Mr. Terry?
- 5217 Mr. {Terry.} Pass.
- 5218 The {Clerk.} Mr. Terry passes. Mr. Rogers?
- 5219 Mr. {Rogers.} Aye.
- 5220 The {Clerk.} Mr. Rogers, aye. Mrs. Myrick?
- 5221 Ms. {Myrick.} Aye.
- 5222 The {Clerk.} Mrs. Myrick, aye. Mr. Sullivan?
- 5223 Mr. {Sullivan.} Aye.
- 5224 The {Clerk.} Mr. Sullivan, aye. Mr. Murphy of
- 5225 Pennsylvania?
- 5226 Mr. {Murphy of Pennsylvania.} Aye.
- 5227 The {Clerk.} Mr. Murphy of Pennsylvania, aye. Mr.
- 5228 Burgess?
- 5229 [No response.]
- 5230 The {Clerk.} Ms. Blackburn?
- 5231 Ms. {Blackburn.} No.
- 5232 The {Clerk.} Ms. Blackburn, no. Mr. Gingrey?
- 5233 Mr. {Gingrey.} Aye.
- 5234 The {Clerk.} Mr. Gingrey, aye. Mr. Scalise?
- 5235 Mr. {Scalise.} No.
- 5236 The {Clerk.} Mr. Scalise, no. Mr. Blunt?

5237 Mr. {Blunt.} Aye.

5238 The {Clerk.} Mr. Blunt, aye. Mr. Pallone?

5239 Mr. {Pallone.} Aye.

5240 The {Clerk.} Mr. Pallone votes aye. Mr. Engel?

5241 Mr. {Engel.} Aye.

5242 The {Clerk.} Mr. Engel votes aye. Mr. Rush?

5243 Mr. {Rush.} Aye.

5244 The {Clerk.} Mr. Rush, aye. Ms. Harman?

5245 Ms. {Harman.} Aye.

5246 The {Clerk.} Ms. Harman, aye. Mr. Matheson?

5247 Mr. {Matheson.} Aye.

5248 The {Clerk.} Mr. Matheson, aye. Ms. Schakowsky?

5249 Ms. {Schakowsky.} Aye.

5250 The {Clerk.} Ms. Schakowsky, aye. Mr. Melancon?

5251 Mr. {Melancon.} Aye.

5252 The {Clerk.} Mr. Melancon votes aye. Mr. Buyer?

5253 Mr. {Buyer.} Aye.

5254 The {Clerk.} Mr. Buyer is off pass on aye. Mr. Terry?

5255 Mr. {Terry.} Aye.

5256 The {Clerk.} Mr. Terry, aye.

5257 The {Chairman.} Have all members responded to the vote?

5258 I know that there are some members who serve on the Ethics

5259 Committee and have had to excuse themselves to attend a

5260 meeting of that committee, and while they may not make it

5261 back in time to vote, I hope we will allow them to insert in
5262 the record a statement of how they intended to vote on this
5263 so they can have their constituents know their views.

5264 Mr. {Barton.} Parliamentary inquiry, Mr. Chairman.

5265 The {Chairman.} Yes, the gentleman will state his
5266 parliamentary inquiry.

5267 Mr. {Barton.} I have an amendment at the desk that was
5268 structured as an amendment to the chairman's amendment in the
5269 nature of a substitute that is on the same issue as the
5270 amendment that was just adopted. I don't see any reason
5271 since you refused the unanimous consent request to--I mean, I
5272 can't offer it as it is currently structured at the desk
5273 because it is not--I mean, it is to the base bill but it
5274 constitutes an issue that the committee has just addressed in
5275 a positive way.

5276 The {Chairman.} Well, Mr. Barton, we are in the middle
5277 of a roll call and--

5278 Mr. {Barton.} Oh, I thought we finished the roll call.

5279 The {Chairman.} Yes, we were just about to close the
5280 roll but now a bunch of members have shown up so let us
5281 continue the roll call.

5282 Mr. {Barton.} Okay. I apologize.

5283 The {Chairman.} Please call the roll.

5284 The {Clerk.} Yes, sir. Mr. Welch?

5285 Mr. {Welch.} Aye.

5286 The {Clerk.} Mr. Welch votes aye. Mr. Butterfield?

5287 Mr. {Butterfield.} Aye.

5288 The {Clerk.} Mr. Butterfield votes aye. Mr. Murphy of
5289 Connecticut?

5290 Mr. {Murphy of Connecticut.} Aye.

5291 The {Clerk.} Mr. Murphy of Connecticut votes aye. Ms.
5292 Castor?

5293 Ms. {Castor.} Aye.

5294 The {Clerk.} Ms. Castor votes aye. Mr. McNerney?

5295 Mr. {McNerney.} Aye.

5296 The {Clerk.} Mr. McNerney votes aye. Mr. Gordon?

5297 Mr. {Gordon.} Aye.

5298 The {Clerk.} Mr. Gordon votes aye.

5299 The {Chairman.} Are there any other members that wish
5300 to respond to the roll? I think the member of the Ethics
5301 Committee did get here in time to cast their vote. So
5302 without any other responses from members, the vote will be
5303 closed and the clerk will tally the vote.

5304 The {Clerk.} Mr. Chairman, on that vote, the ayes were
5305 50, the nays were four, and there was one present.

5306 The {Chairman.} Fifty ayes, four no's and one present.
5307 The amendment is overwhelmingly agreed to.

5308 Mr. Walden.

5309 Mr. {Walden.} Thank you, Mr. Chairman.

5310 The {Chairman.} Are you seeking recognition to offer an
5311 amendment?

5312 Mr. {Walden.} Yes, sir, I am.

5313 The {Chairman.} And it is an amendment to this title?

5314 Mr. {Walden.} Yes, sir, it is.

5315 The {Chairman.} And I will ask--

5316 Mr. {Walden.} Walden-018. I believe that is how it is
5317 designated, sir.

5318 The {Chairman.} May we be informed whether this
5319 amendment is--it has to have been around at least 2 hours.

5320 Mr. {Walden.} Since 11:19, I believe.

5321 The {Chairman.} The amendment appears to be qualified.

5322 Will the clerk report the amendment, and may we have it

5323 distributed to the members?

5324 The {Clerk.} Amendment to H.R. 2454 offered by Mr.
5325 Walden of Oregon. Page 17, line 13, page 111, line 5, and
5326 page 545, line 13, strike the definition of renewable
5327 biomass--

5328 [The amendment follows:]

5329 ***** INSERT 5 *****

|
5330 The {Chairman.} Without objection, the amendment will
5331 be considered as read. The chair will reserve a point of
5332 order, and the gentleman from Oregon is recognized to speak
5333 on his amendment.

5334 Mr. {Walden.} Thank you very much, Mr. Chairman. The
5335 amendment before you amends the bill in about three
5336 locations, and this deals with biomass, woody biomass off
5337 America's forests. I want to read to you from the
5338 Intergovernmental Panel on Climate Change and their words
5339 about forests, and I quote, ``In the long term, a sustainable
5340 forest management strategy aimed at maintaining or increasing
5341 forest carbon stocks while producing an annual sustained
5342 yield of timber, fiber or energy from the forest will
5343 generate the largest sustained mitigation benefit.'' That is
5344 page 543 of the IPCC report. They go on to say on that page,
5345 ``Mitigation options by the forestry sector include extending
5346 carbon retention in harvested wood products, product
5347 substitution and producing biomass for energy. The carbon is
5348 removed from the atmosphere and is available to meet
5349 society's needs for timber, fiber and energy. Biomass and
5350 forestry can contribute 12-74 EJ per year to energy
5351 consumption with a mitigation potential roughly equal to .4
5352 to 4.4 gigatons of carbon dioxide per year, depending on the

5353 assumption whether biomass replaces coal or gas in power
5354 plants,' and they go on to say, ``Forest mitigation options
5355 include reducing emissions from deforestation, forest
5356 degradation, enhancing the sequestration rate in existing and
5357 new forests, providing wood fuels as a substitute for fossil
5358 fuels and providing wood products for more energy-intensive
5359 materials.''

5360 This is what we are talking about. There is a firm in
5361 my district and these are all over the country, frankly, that
5362 take woody biomass and convert it into a compressed product
5363 that can replace energy types such as coal. It can also
5364 generate heat very efficiently. Unfortunately, what the
5365 underlying bill, the amendment by the chairman does, it
5366 contains language that basically puts America's forests most
5367 in peril, those most bug infested, most diseased, most in
5368 need of treatment, the condition class 2 and 3 lands as
5369 defined by the Forest Service fundamentally would be off
5370 limits for this biomass to be treated as a renewable energy
5371 source, a biofuel source, and therefore would deny these
5372 opportunities to turn that woody biomass into a new market to
5373 create jobs and to create renewable energy that as I have
5374 just cited from the IPCC's own findings is a very productive
5375 way to reduce carbon emissions and to have a new alternative
5376 energy source.

5377 So my amendment to H.R. 2454 and the underlying
5378 amendment fixes that definition. Principally, the issue that
5379 comes before us that affects the federal forests is the
5380 language on page 20 of the amendment in the nature of a
5381 substitute, line 11, which says that old growth or mature
5382 stands, biomass material from old growth and mature stands
5383 would not qualify. So you say, well, why is that an issue?
5384 Well, the definition of mature forests as defined by the
5385 Dictionary of Forestry is ``trees or stands pertaining to a
5386 tree or uneven age stand that is capable of'' and I am
5387 quoting here ``sexual reproduction other than precocious
5388 reproduction, has attained most of its potential height
5389 growth or has reached merchantability standards. Note within
5390 uneven age stands, individual trees may become mature but the
5391 stand itself consists of trees of diverse ages and stages of
5392 development. So when you ask the professional foresters, the
5393 Society of American Foresters, when you ask the Forest
5394 Service professionals what does excluding old growth and
5395 mature forests stands mean to them, they will tell you it
5396 means principally you would not be able to take the biomass
5397 out of those forests and use them for energy production,
5398 which is the underlying intent, I think, of this legislation,
5399 is to be able to transfer that biomass into clean energy
5400 production, electricity, heat and other things and reduce

5401 fires. We in this country have had catastrophic fire on our
5402 federal forests. Nine million acres a year go up in flames.
5403 Forty-seven percent of the Forest Service budget is consumed
5404 fighting fires. We have 4 million acres in the Northwest
5405 condition class 2 and 3 lands that are out of whack with
5406 nature. At the current rate of treatment, 100,000 acres a
5407 year, you have a 79-year backlog of treatment. So if you
5408 want to do what the IPCC says we should do, and that is
5409 effectively manage America's forest lands, then you need to
5410 adopt this amendment to fix this one problem in the biomass
5411 definition, and I urge your support. Thank you, Mr.
5412 Chairman.

5413 The {Chairman.} The gentleman's time is expired. Mr.
5414 Markey.

5415 Mr. {Markey.} Thank you, Mr. Chairman. Mr. Chairman, I
5416 rise in opposition to the Walden amendment. We have come a
5417 long way on this issue, and a lot of it is because of the
5418 education which Mr. Walden has given to the committee over
5419 the last couple of years and we appreciate that, and as the
5420 gentleman knows, 2 years ago when we were debating this,
5421 biomass was not on the table and now it is not only on the
5422 table, it is on the table in a very significant way. But the
5423 problem here is that this biomass definition amendment would
5424 provide federal incentives for biomass without the kinds of

5425 safeguards which are necessary. There are no safeguards at
5426 all for private lands and very weak limited protections for
5427 federal lands. The renewable electricity standard will
5428 create big incentives for biomass, and done right, it will
5429 create good, clean energy jobs and clean renewable power.
5430 However, done wrong, it will destroy native grasslands and
5431 native forest, increase global warming pollution and
5432 undermine United States standing to ask other nations to save
5433 their own carbon-rich native forests. Depending on how and
5434 where biomass for electricity comes from, it can either help
5435 reduce global warming pollution or make it worse. Sourcing
5436 safeguards are critical for avoiding the negative impacts
5437 like harvesting mature trees, plowing up native grasslands or
5438 converting natural forests to plantations and releasing vast
5439 quantities of carbon. In my view, this amendment takes the
5440 wrong approach to biomass because it eliminates all sourcing
5441 restrictions for private lands. This undermines the goals in
5442 many other parts of the underlying bill including wildlife
5443 and natural resource adaptation. It provides credits for
5444 biomass without safeguards for imperiled wildlife habitat.
5445 It just doesn't make sense to cut down, grind up or plow
5446 under critical wildlife habitat to feed power plants. There
5447 are plenty of other sources of biomass under our definition.
5448 This provision also provides credits for biomass without

5449 any protections against the loss of natural forests. Native
5450 forests provide habitat for 90 percent of the plant and
5451 animal species that live on land, and they contain huge
5452 stores of carbon. That doesn't mean that these forests need
5453 to be off limits. We can and under the compromise
5454 definitions do provide credits for biomass from natural
5455 forests while encouraging practices to keep forests forests.
5456 The compromise definition has clear safeguards to ensure
5457 federal incentives don't drive the conversion of these vital
5458 lands into tree farms. The definition in this amendment does
5459 not.

5460 So what we have here is a balance that was struck. We
5461 have come a long, long way. Eighty percent of what the
5462 gentleman was talking about a couple of years ago is now
5463 included. But this amendment fails to protect the core
5464 values on federal lands by leaving important, sensitive lands
5465 like the wilderness study areas and the roadless areas
5466 vulnerable to industrial biomass sourcing and uses vague
5467 language that opens old growth and mature forests to damaging
5468 logging. We need these lands left alone to store carbon and
5469 to give wildlife and plants a safe haven for adapting to
5470 climate change. That is the balance which was struck, and I
5471 do oppose this amendment, and I yield back the balance of my
5472 time.

5473 The {Chairman.} The gentleman yields back the balance
5474 of his time. Further discussion on the pending Walden
5475 amendment?

5476 Mr. {Barton.} Mr. Chairman.

5477 The {Chairman.} Mr. Barton.

5478 Mr. {Barton.} I rise in support of the Walden amendment
5479 and I am going to make a few brief comments and the I am
5480 going to yield to the author.

5481 I want to point out that this amendment, the definition
5482 of renewable biomass in this amendment was included in the
5483 Senate-based Farm Bill, which passed the Senate on December
5484 14, 2007, by a vote of 79 to 14. I also want to point out
5485 that the definition of renewable biomass that Mr. Walden put
5486 forward is identical to the definition in H.R. 1190 that is
5487 currently in play. It is in the committee. In other words,
5488 it is jurisdictional to this committee and it has got five
5489 members of the committee as cosponsors including Mr. Barrow,
5490 Mr. Rogers, Mr. Ross, Mr. Stupak and Mr. Walden. We
5491 apparently have a disagreement between what is currently in
5492 the base bill under consideration and the Walden amendment
5493 about what you do in terms of an actively managed tree
5494 plantation, what you do in terms of a federally recognized
5495 timber sale, what you do in these wilderness study areas,
5496 what you do in these old growth or mature forests, some of

5497 which are in desperate need of management, and under the bill
5498 they wouldn't qualify but under the Walden amendment, as I
5499 understand it, they would qualify. This would seem to be an
5500 amendment that we could accept in terms of the authors of the
5501 manager's substitute because this seems to me to be something
5502 that is just basically good common sense. With that, I will
5503 yield to the author for any comments he would like to make.

5504 Mr. {Walden.} Thank you, Mr. Ranking Member. To the
5505 comments by my friend from Massachusetts, Mr. Markey, I
5506 appreciate your being attuned to biomass as an issue and I do
5507 appreciate that. But we don't waive any federal law here.
5508 We don't waive any State law. There would have to be a full
5509 NEPA done. They have all these forest management plans in
5510 place. We don't waive any of that. All of that activity and
5511 all of the law and all of the regulation, whether it is the
5512 Endangered Species Act, fish and wildlife, all those
5513 consultations, all that goes on. All we are saying is at the
5514 end of all that process, the material that is taken out of
5515 the forest, what you do with that material, it shouldn't
5516 matter where it comes from. The material should be used for
5517 whatever its market is. What this legislation underlying
5518 does is say but if it comes off a certain stand, then we are
5519 going to say that woody biomass is not treated as renewable
5520 but this woody biomass is. That makes no sense to me.

5521 Effectively, what happens on the federal forest system--and I
5522 live and breathe this every day. I have got 11 national
5523 forests in my district. I have 20 percent unemployment in
5524 these communities. They don't understand why we stand around
5525 wringing our hands while the forests burn up and the biggest
5526 economic development thing they have is making lunch for the
5527 firefighters every summer. When we do go in and get approval
5528 to do the treatments, and we don't alter any of that in my
5529 amendment, all we are saying is the material that comes out
5530 we ought to put to the highest use, and that may be woody
5531 biomass. There are companies that want to invest in
5532 producing electricity from the debris that is removed from
5533 the federal forests, but under this legislation in most of my
5534 district I would tell you, that woody biomass wouldn't count
5535 toward your renewable electricity standard or the fuel
5536 standard or anything else. It goes in a separate pile. Oh,
5537 but if it comes off of this type of forest, then it counts.

5538 Now, you tell me in a lumber yard, in a mill yard how
5539 they are going to sort out which debris came from which part
5540 of the forest. We can create jobs here. We can do the right
5541 thing for the environment here. But to say we have dealt
5542 with woody biomass in a wonderful way is not really the case
5543 when you then have this underlying hook of language that says
5544 oh, but if it comes off a mature forest or an old growth,

5545 then that material doesn't count as renewable, but the same
5546 debris off a different type of forest does count. I mean, I
5547 don't get that. What you are going to end up with here is
5548 enormous litigation over the term ``mature forest.'' What
5549 you are going to end with here is on paper a biomass set of
5550 provisions that simply will not be used on your federal
5551 ground. So instead we are going to fight fire, we are going
5552 to release far more carbon into the atmosphere and other
5553 greenhouse gases that, for example, last August choked the
5554 whole Rogue Valley in southern Oregon by the fires in
5555 northern California and around southern Oregon for a month.
5556 You could hardly breathe. I would like to do something about
5557 that. We can create a market here to do that. We don't
5558 affect any of the environmental laws with this amendment. We
5559 simply say that the debris that comes off federal land or
5560 private land should count as woody biomass for renewable
5561 energy production.

5562 The {Chairman.} The gentleman's time has expired. Mr.
5563 Stupak.

5564 Mr. {Stupak.} Thank you, Mr. Chairman and to the author
5565 of the amendment and all the work he has done in forestry
5566 areas. It is well intended and I agree with most of what you
5567 said. When we started with this legislation, we had one
5568 definition of biomass that most of us could not live with.

5569 Through six, seven, eight drafts, we have got a pretty good
5570 definition of biomass. I think most of the things you
5571 pointed out we have corrected. In fact, the Farm Bill--maybe
5572 it was Mr. Barton who brought it up--a lot of us had
5573 cosponsored the Herseht Sandlin legislation, and we have
5574 probably 98 to 99 percent of that language in our definition
5575 in the substitute here. So I think we have come a long way.
5576 And whether it was the Cash for Clunkers or even this
5577 legislation, there were a lot of negotiations going back and
5578 forth and that is where we reached this accommodation. So I
5579 would reluctantly oppose your amendment, and I understand
5580 what you are doing, just because we have worked so hard to
5581 get to where we are, and I think we are there. I know you
5582 have a little more non-inventory roadless area out west than
5583 we do in the Midwest or in the East and that is probably the
5584 biggest difference I think I see in the definition.

5585 Mr. {Walden.} Would you yield?

5586 Mr. {Stupak.} Sure, I will yield.

5587 Mr. {Walden.} I appreciate that, and I appreciate the
5588 work that has been done. I guess the point I am trying to
5589 make, and maybe I am just not doing it clearly, is, you are
5590 not there. If you want to use woody biomass off federal
5591 land, you are not there with what is in this bill. Let me
5592 give you an example. On the slopes of the Rockies, and my

5593 colleague from Colorado can appreciate that, you have all
5594 that lodge pole pine that is bug infested, beetle infested,
5595 dead, dying, right? I would tell you that virtually none of
5596 that debris will count under this definition because lodge
5597 pole pine, once it is bug infested, is generally a mature
5598 forest. So all that lodge pole, just like they are dealing
5599 with in Canada and we are dealing with in the West that is
5600 beetle infested would be a mature stand under this language.
5601 That is the language at issue here is the definition of a
5602 mature forest. That is what I am arguing about.

5603 Mr. {Stupak.} Reclaiming my time.

5604 Mr. {Walden.} Yes, sir, of course.

5605 Mr. {Stupak.} Whether you are in Michigan or in Oregon
5606 or wherever, if you want to put up any timber sales, it has
5607 to go through the Forest Service, it has to go through the
5608 process, and those bug-infested areas of mature forest, many
5609 times they will allow you to go in and clean them out. It is
5610 a timber sale and you are going to bid whatever you think
5611 that value is, if it is going to be biomass or if it is going
5612 to be lodge pole.

5613 Mr. {Walden.} Right.

5614 Mr. {Stupak.} That is what is going to determine the
5615 value of that bid.

5616 Mr. {Walden.} Absolutely.

5617 Mr. {Stupak.} So you still have access to it and you--

5618 Mr. {Walden.} Absolutely, but the point is--

5619 Mr. {Stupak.} --still can take it and use it for

5620 biomass.

5621 Mr. {Walden.} But it won't count toward your renewable

5622 electricity, it won't count toward your biofuel standard.

5623 You disqualify it by saying if it comes out of a mature

5624 forest it does not count. That is the language in the bill

5625 on page 20.

5626 Mr. {Stupak.} But if you take a look at the language

5627 there, you are allowed under a timber sale to use it in woody

5628 biomass in the language we finally negotiated.

5629 Mr. {Walden.} That is true except that it won't count

5630 toward the renewable energy standards. You lose the

5631 incentive to do it. It doesn't count. Woody biomass that is

5632 converted into a liquid fuel but comes off--the deal we dealt

5633 with Stephanie Herseth Sandlin and me and you and others.

5634 Remember how they said if it comes off basically federal

5635 land, it doesn't count? Most of the woody biomass that would

5636 be used for conversion into power and fuel will come out of

5637 those types of stands we just discussed, the lodge pole, the

5638 dead, dying. The problem is, when you come over here and

5639 look at the market force being created as a renewable energy

5640 source, it won't count. You have disqualified it. So all

5641 that stuff in the Rockies, I have got 200,000 acres the
5642 Fremont Winema National Forest, a lot of which is lodge pole
5643 pine that is dead and dying. They go in and clean all that
5644 out. They are going to anyway. All the other laws apply.
5645 It is just when it comes to whether or not you put that in a
5646 burner and generate electricity if it came off that lodge
5647 pole pine forest it won't count as renewable energy.

5648 Mr. {Stupak.} See, our interpretation is that all the
5649 wood removed from federal land, all biomass removed from
5650 federal lands is eligible for credit as long as it is not in
5651 violation of the timber sale that was put on sensitive lands.
5652 We go through and we list the law of what they would be. So
5653 we think it is a reasonable inclusive standard and it is
5654 still going to count. Go ahead.

5655 Mr. {Walden.} But if you go to page 20, line 11, then
5656 it has that it does not count if they--or it counts but they
5657 cannot be components of old growth of mature stands. That
5658 old growth and mature stand says even if you went through
5659 everything you just identified to harvest through all the
5660 other laws, once you get that material decked out somewhere,
5661 if it came off a mature stand, which is most likely, all that
5662 lodge pole, you can't count it as biomass. That is the
5663 hidden killer in this bill. That is what--it all sounds good
5664 up to that point. It is that definition. So you are

5665 absolutely right, Bart. The Forest Service still has to go
5666 though all those rules and regulation, do all their sales and
5667 everything else, all the NEPA studies, all the consultations,
5668 all the environmental work. This is the point. When the
5669 material then comes out, it won't count as renewable if it
5670 happened to come off a mature forest, and I read you the
5671 definition of mature forest, which is going to be most of
5672 what we are dealing with.

5673 Mr. {Stupak.} Well, I guess I will disagree with you on
5674 that but remember the--

5675 Mr. {Walden.} Why?

5676 Mr. {Stupak .} --hearing we had when we had the
5677 Administrator here? We said so tell us, how can you tell if
5678 that tree or that biomass came from federal forests, state or
5679 private. They can't. It is basically a non-enforceable
5680 provision.

5681 Mr. {Walden.} Well, I would say it is not because line
5682 11--

5683 Mr. {Stupak.} I take my wood of the federal land. It
5684 is bug infested. I bring it down to my plant where I put in
5685 other trees from State or private land. When it comes out
5686 the end, how do you know that is from Federal land or from
5687 State land or not? It's basically non-enforceable.

5688 Mr. {Walden.} Well, if I may, there are two things.

5689 Mr. {Stupak.} Go ahead.

5690 Mr. {Walden.} First of all, you do have to account for
5691 where that came from. I mean, they track logs, for example.
5692 You are required to demonstrate. There is all that system in
5693 place. Second, you also have a provision in here in the bill
5694 that says if you have a dual-fueled source, the renewable
5695 piece you have to account for differently if you sometimes
5696 augment it with petroleum, for example. I don't remember the
5697 page of the bill. You have to make that accounting. So if
5698 you are the operator of that facility, you are under
5699 obligation in this law to account for that difference. That
5700 is a requirement. And so--

5701 Mr. {Upton.} Mr. Chairman.

5702 The {Chairman.} Yes?

5703 Mr. {Upton.} I might ask to strike the last word. I
5704 will yield to the gentleman from Oregon.

5705 The {Chairman.} The gentleman from Michigan, Mr. Upton,
5706 is recognized for 5 minutes.

5707 Mr. {Upton.} And I yield to the gentleman from
5708 Washington.

5709 Mr. {Walden.} I appreciate that, Mr. Upton.

5710 Mr. {Barton.} And would the gentleman yield to me too
5711 briefly at some point?

5712 Mr. {Upton.} I will yield to Mr. Barton first.

5713 Mr. {Barton.} I just want to answer Mr. Stupak's
5714 question that he just asked. This is a political distinction
5715 without a real-world difference. Bart is exactly right. If
5716 you took two different boxes or trucks or whatever containers
5717 of biomass to a location, you couldn't tell the difference.

5718 Mr. {Walden.} That is right.

5719 Mr. {Barton.} Bart is right. But you have to certify.
5720 You are going to be asked to fill out a form certifying that
5721 it didn't come from an old growth federal forest.

5722 Mr. {Walden.} Or a mature stand.

5723 Mr. {Barton.} Yes, and if you lie about that, you are
5724 going to be subject to criminal penalties and federal
5725 prosecution. So Bart is right in terms of just looking at it
5726 but whoever the owner of that woody biomass is, if we don't
5727 accept the Walden amendment, they are going to be forced to
5728 lie and then be subject to all kinds of penalties.

5729 Mr. {Walden.} If the gentleman would yield?

5730 Mr. {Barton.} So that is the difference, Bart. You are
5731 telling the truth in the real world but whoever owns it is
5732 going to have to fess up that they got it from a location
5733 that doesn't qualify.

5734 Mr. {Walden.} And actually we do--the federal
5735 government does prosecute people who steal logs off federal
5736 land or don't account for them properly, as they should. And

5737 so you are absolutely right, Chairman Barton, or former
5738 Chairman Barton.

5739 Mr. {Barton.} Past.

5740 Mr. {Walden.} Future. That is my whole point. Just as
5741 Bart said, you go to the Forest Service, you bid on the
5742 contract, you haul out this stuff, it goes into a yard. This
5743 bill says if it came off a mature forest it doesn't count as
5744 renewable biomass. That is what this bill says. That is
5745 what I am trying to correct.

5746 Mr. {Stupak.} And as long as we have-- will you yield?

5747 Mr. {Walden.} Sure.

5748 Mr. {Stupak.} As long as what was in the timber sale
5749 and not out of the sensitive and it is not moved in excess
5750 quantities, it still counts under our definition of biomass.

5751 Mr. {Walden.} Unless--

5752 Mr. {Stupak.} That is where I think we disagree.

5753 Mr. {Walden.} No, it does because you have a qualifier.
5754 Go back to page 20, line 11.

5755 Mr. {Barton.} You are going to have to certify where it
5756 comes from.

5757 Mr. {Walden.} And actually start at line 8 and it
5758 describes all these things that are biomass, and that part,
5759 my colleague from Massachusetts is right. That is fine. But
5760 then it says that are ``not from components of the National

5761 Wilderness Preservation System.' ' no problem there,
5762 ``wilderness study areas, inventory roadless, old growth or
5763 mature forest stands, components of National Landscape
5764 Conservation System' '--I can tell you stories about that--as
5765 well national monuments, national conservation areas,
5766 designated primitive areas or wild and scenic river corridor.
5767 We actually by the way do management work in most of those
5768 areas. I wrote a huge wilderness bill for the southern part
5769 of my district. One of the management goals off of that is
5770 to remove juniper, get it back in balance. The juniper that
5771 comes out of there because it is in the National Landscape
5772 System won't count as biomass.

5773 Mr. {Barton.} And in the real world--

5774 Mr. {Walden.} It is all biomass.

5775 Mr. {Barton.} --woody biomass is woody biomass.

5776 Mr. {Walden.} Right.

5777 Mr. {Barton.} It shouldn't matter where it comes from
5778 as long as where it comes from is harvested under the
5779 pertinent federal and State environmental and forest
5780 management rules.

5781 Mr. {Walden.} And we are trying to improve the habitat
5782 for sage grass that may well become listed. Part of that
5783 management strategy is to remove the juniper off the range.
5784 It consumes 50 gallons of water a day. And so that woody

5785 biomass from that juniper coming off the range that might be
5786 in the NLCS won't qualify. Why not? Why wouldn't we create
5787 a market that creates jobs that uses the stuff that comes out
5788 to produce alternative energy that the IPCC says is actually
5789 good for the environment because you are not necessarily
5790 burning coal or fuel oil? This all makes sense to me and I
5791 am struggling with what the problem is here.

5792 Mr. {Upton.} I yield to Mr. Stupak if he wants to. Do
5793 you want to respond?

5794 Mr. {Stupak.} No, I think we beat this one to death. I
5795 believe we are okay with it. I can see where you are coming
5796 from, Greg, but I think we are still okay with it.

5797 Mr. {Walden.} Let me just conclude then. Just know
5798 when this becomes law and you go home to Colorado and you go
5799 home to where you have a federal forest, the woody biomass
5800 that comes off of that most likely will not qualify. Just
5801 know that. Because the definition of mature forest is such
5802 that it will disqualify that under this bill.

5803 Mr. {Barton.} Does the gentleman from Michigan think
5804 that if this bill becomes law without the Walden amendment,
5805 that the implementers of the law are not going to ask the
5806 question about where the biomass that is presented comes
5807 from?

5808 Mr. {Stupak.} I think they will ask the question as to

5809 this ethanol made from your woody biomass, where did it come
5810 from, what percentage was from federal and things like that.
5811 They will probably do it. When you take the total mix, I
5812 think we are going to be okay with it. Also, having then
5813 negotiated, I said we did about eight drafts of this, I am
5814 not naïve to think that whatever we put in this is the last
5815 say on it. This is the committee substitute. We still have
5816 to go to the Floor, we will go to the Senate, and this has
5817 been a tough negotiation we have been doing. There are going
5818 to be many opportunities to change it again, and I think Mr.
5819 Walden raised some good points that we should look at
5820 further, but I think we have got an agreement on this side
5821 that I have to hold to my word and our agreement on this side
5822 on this definition. Mr. Markey is looking to be yielded to.
5823 I don't know whoever has time.

5824 The {Chairman.} Well, the time has expired--

5825 Mr. {Upton.} My time has expired, reluctantly. I yield
5826 back.

5827 The {Chairman.} --from the gentleman from Michigan. Is
5828 there further discussion of this amendment or are we ready to
5829 vote on the amendment? If we are ready to vote--

5830 Mr. {Shadegg.} Mr. Chairman, I will be very brief.

5831 The {Chairman.} That is what you always say, but you
5832 have 5 minutes and you don't have to use it all.

5833 Mr. {Shadegg.} Watch this time, Mr. Chairman. I simply
5834 want to rise in support of the gentleman's amendment.
5835 Arizona has a vast amount of acreage, indeed, I think the
5836 largest acreage in the Nation of the type that Mr. Walden has
5837 described. I fear that it fits in precisely the category he
5838 described and that the incentive there to clear it will not
5839 exist. We have suffered severe forest fires, and I am
5840 greatly concerned about this. I appreciate the work that Mr.
5841 Stupak has put into it and his thoughtful comments and I hope
5842 he will remain open-minded as we go forward, and with the
5843 chairman's permission, I would be happy to yield.

5844 Mr. {Stupak.} It wasn't just myself and Mr. Ross that
5845 was negotiating this, and while I have my level of comfort
5846 where we are with the definition that is in here because the
5847 Biomass Power Association was one of the groups that worked
5848 with us to get this definition and they are supportive of the
5849 language in the bill because we have come a long way. So
5850 they are supportive. They are comfortable with our position
5851 that while Mr. Walden puts up some valid points, they feel
5852 like I do. We have it covered in our definition we currently
5853 have. Would I love to see a more broad expansion? You bet.
5854 With my district being mostly timber, I would love to see it.
5855 But we have gone as far as we could. Even the Biomass Power
5856 Association supports what we have done in the bill. So like

5857 I said, I am comfortable where we are at and I think the
5858 fears are--you have some merit to what you are saying but I
5859 think we are covered.

5860 Mr. {Shadegg.} Reclaiming my time. My only hope is
5861 that we are covered, and if we are not covered, you will
5862 listen to us on that point. I yield to the gentleman from
5863 Washington.

5864 Mr. {Walden.} Oregon.

5865 Mr. {Shadegg.} Oregon. Pardon me.

5866 Mr. {Walden.} Washington was once part of Oregon, then
5867 we gave it up. I just want to conclude by again reading for
5868 you the definition of mature from the Dictionary of Forestry
5869 provided to me by the Society of American Foresters just so
5870 you know I am not making this up. It says that ``a mature
5871 forest is of trees or stands pertaining to a tree or even
5872 aged stand that is capable of sexual reproduction other than
5873 precocious reproduction, has attained most of its potential
5874 height growth or has reached merchantability standards. Note
5875 within uneven age stands, individual trees may become mature
5876 but the stand itself consists of trees of diverse ages and
5877 stages of development.'' You are going to litigate this
5878 forever if you try and use biomass off most federal forest
5879 lands and have it count toward a renewable energy standard.
5880 I realize you have cut the deals. I realize the associations

5881 have cut the deals and they have cut most of your national
5882 forests out of the deal and they have sold a lot of us old.

5883 Mr. {Shadegg.} Mr. Chairman, I yield back almost half
5884 of my granted time.

5885 The {Chairman.} Thank you very much. We will now
5886 proceed to vote on the Walden amendment. All those in favor
5887 of the Walden amendment say aye. Opposed, no. The no's
5888 appear to have it.

5889 Mr. {Barton.} Mr. Chairman, I ask for a roll call vote.

5890 The {Chairman.} Okay. We will go to a roll call vote.

5891 The {Clerk.} Mr. Waxman?

5892 The {Chairman.} No.

5893 The {Clerk.} Mr. Waxman, no. Mr. Dingell?

5894 Mr. {Dingell.} No.

5895 The {Clerk.} Mr. Dingell, no. Mr. Markey?

5896 Mr. {Markey.} No.

5897 The {Clerk.} Mr. Markey votes no. Mr. Boucher?

5898 Mr. {Boucher.} No.

5899 The {Clerk.} Mr. Boucher, no. Mr. Pallone?

5900 [No response.]

5901 The {Clerk.} Mr. Gordon?

5902 [No response.]

5903 The {Clerk.} Mr. Rush?

5904 [No response.]

5905 The {Clerk.} Ms. Eshoo?
5906 Ms. {Eshoo.} No.
5907 The {Clerk.} Ms. Eshoo votes no. Mr. Stupak?
5908 Mr. {Stupak.} No.
5909 The {Clerk.} Mr. Stupak, no. Mr. Engel?
5910 [No response.]
5911 The {Clerk.} Mr. Green?
5912 [No response.]
5913 The {Clerk.} Ms. DeGette?
5914 Ms. {DeGette.} No.
5915 The {Clerk.} Ms. DeGette, no. Mrs. Capps?
5916 [No response.]
5917 The {Clerk.} Mr. Doyle?
5918 Mr. {Doyle.} No.
5919 The {Clerk.} Mr. Doyle, no. Ms. Harman?
5920 Ms. {Harman.} No.
5921 The {Clerk.} Ms. Harman votes no. Ms. Schakowsky?
5922 [No response.]
5923 The {Clerk.} Mr. Gonzalez?
5924 Mr. {Gonzalez.} No.
5925 The {Clerk.} Mr. Gonzalez votes no. Mr. Inslee?
5926 [No response.]
5927 The {Clerk.} Ms. Baldwin?
5928 Ms. {Baldwin.} No.

5929 The {Clerk.} Ms. Baldwin, no. Mr. Ross?
5930 Mr. {Ross.} Aye.
5931 The {Clerk.} Mr. Ross, aye. Mr. Weiner?
5932 Mr. {Weiner.} No.
5933 The {Clerk.} Mr. Weiner votes no. Mr. Matheson?
5934 [No response.]
5935 The {Clerk.} Mr. Butterfield?
5936 Mr. {Butterfield.} No.
5937 The {Clerk.} Mr. Butterfield, no. Mr. Melancon?
5938 Mr. {Melancon.} Aye.
5939 The {Clerk.} Mr. Melancon votes aye. Mr. Barrow?
5940 Mr. {Barrow.} Aye.
5941 The {Clerk.} Mr. Barrow votes aye. Mr. Hill?
5942 [No response.]
5943 The {Clerk.} Ms. Matsui?
5944 Ms. {Matsui.} No.
5945 The {Clerk.} Ms. Matsui votes no. Mrs. Christensen?
5946 Ms. {Christensen.} No.
5947 The {Clerk.} Mrs. Christensen votes no. Ms. Castor?
5948 Ms. {Castor.} No.
5949 The {Clerk.} Ms. Castor votes no. Mr. Sarbanes?
5950 Mr. {Sarbanes.} No.
5951 The {Clerk.} Mr. Sarbanes votes no. Mr. Murphy of
5952 Connecticut?

5953 [No response.]

5954 The {Clerk.} Mr. Space?

5955 Mr. {Space.} Aye.

5956 The {Clerk.} Mr. Space, aye. Mr. McNerney?

5957 Mr. {McNerney.} Aye.

5958 The {Clerk.} Mr. McNerney, aye. Ms. Sutton?

5959 Ms. {Sutton.} No.

5960 The {Clerk.} Ms. Sutton, no. Mr. Braley?

5961 Mr. {Braley.} No.

5962 The {Clerk.} Mr. Braley, no. Mr. Welch?

5963 [No response.]

5964 The {Clerk.} Mr. Barton?

5965 Mr. {Barton.} Aye.

5966 The {Clerk.} Mr. Barton votes aye. Mr. Hall?

5967 Mr. {Hall.} Aye.

5968 The {Clerk.} Mr. Hall votes aye. Mr. Upton?

5969 Mr. {Upton.} Aye.

5970 The {Clerk.} Mr. Upton, aye. Mr. Stearns?

5971 Mr. {Stearns.} Aye.

5972 The {Clerk.} Mr. Stearns, aye. Mr. Deal?

5973 Mr. {Deal.} Aye.

5974 The {Clerk.} Mr. Deal votes aye. Mr. Whitfield?

5975 [No response.]

5976 The {Clerk.} Mr. Shimkus?

5977 Mr. {Shimkus.} Aye.

5978 The {Clerk.} Mr. Shimkus, aye. Mr. Shadegg?

5979 Mr. {Shadegg.} Aye.

5980 The {Clerk.} Mr. Shadegg votes aye. Mr. Blunt?

5981 Mr. {Blunt.} Mr. Blunt votes aye. Mr. Buyer?

5982 Mr. {Buyer.} Aye.

5983 The {Clerk.} Mr. Buyer votes aye. Mr. Radanovich?

5984 Mr. {Radanovich.} Aye.

5985 The {Clerk.} Mr. Radanovich, aye.

5986 The {Clerk.} Mr. Pitts?

5987 Mr. {Pitts.} Aye.

5988 The {Clerk.} Mr. Pitts votes aye. Ms. Bono Mack?

5989 Ms. {Bono Mack.} Aye.

5990 The {Clerk.} Ms. Bono Mack votes aye. Mr. Walden?

5991 Mr. {Walden.} Aye.

5992 The {Clerk.} Mr. Walden votes aye. Mr. Terry?

5993 Mr. {Terry.} Aye.

5994 The {Clerk.} Mr. Terry votes aye. Mr. Rogers?

5995 Mr. {Rogers.} Aye.

5996 The {Clerk.} Mr. Rogers votes aye. Mrs. Myrick?

5997 Ms. {Myrick.} Aye.

5998 The {Clerk.} Mrs. Myrick, aye. Mr. Sullivan?

5999 Mr. {Sullivan.} Aye.

6000 The {Clerk.} Mr. Sullivan, aye. Mr. Murphy of

6001 Pennsylvania?

6002 Mr. {Murphy of Pennsylvania.} Aye.

6003 The {Clerk.} Mr. Murphy of Pennsylvania, aye. Mr.

6004 Burgess?

6005 [No response.]

6006 The {Clerk.} Ms. Blackburn?

6007 Ms. {Blackburn.} Aye.

6008 The {Clerk.} Ms. Blackburn votes aye. Mr. Gingrey?

6009 [No response.]

6010 The {Clerk.} Mr. Scalise?

6011 Mr. {Scalise.} Aye.

6012 The {Clerk.} Mr. Scalise, aye. Ms. Schakowsky?

6013 Ms. {Schakowsky.} No.

6014 The {Clerk.} Ms. Schakowsky, no. Mr. Burgess?

6015 Mr. {Burgess.} Aye.

6016 The {Clerk.} Mr. Burgess, aye. Mr. Inslee?

6017 Mr. {Inslee.} No.

6018 The {Clerk.} Mr. Inslee, no. Mr. Matheson?

6019 Mr. {Matheson.} Mr. Matheson, no. Mr. Hill?

6020 Mr. {Hill.} No.

6021 The {Clerk.} Mr. Hill votes no. Mr. Murphy of

6022 Connecticut?

6023 Mr. {Murphy of Connecticut.} No.

6024 The {Clerk.} Mr. Murphy of Connecticut, no. Ms.

6025 Sutton? Oh, I have you. I apologize. Mrs. Capps?
6026 Ms. {Capps.} No.
6027 The {Clerk.} Mrs. Capps votes no. Mr. Green?
6028 Mr. {Green.} Mr. Green votes no. Mr. Engel?
6029 Mr. {Engel.} No.
6030 Mr. {Clerk.} Mr. Engel votes no. Mr. Rush?
6031 Mr. {Rush.} No.
6032 The {Clerk.} Mr. Rush votes no. Mr. Welch?
6033 Mr. {Welch.} No.
6034 The {Clerk.} Mr. Welch votes no. Mr. McNerney?
6035 Mr. {McNerney.} I would like to change my vote to no.
6036 The {Clerk.} Mr. McNerney is off aye and on no.
6037 Mr. {Barton.} Is Mr. Gingrey recorded?
6038 The {Clerk.} I don't think so. Mr. Gingrey?
6039 Mr. {Gingrey.} Aye.
6040 The {Clerk.} Mr. Gingrey votes aye. Mr. Pallone?
6041 Mr. {Pallone.} No.
6042 The {Clerk.} Mr. Pallone, no. Mr. Gordon?
6043 Mr. {Gordon.} No.
6044 The {Clerk.} Mr. Gordon, no.
6045 The {Chairman.} Have all members responded to the vote?
6046 Any member wish to change his or her vote? If not, the clerk
6047 will tally the vote and announce the result.
6048 The {Clerk.} On that vote, Mr. Chairman, the ayes were

6049 26, the nays were 32.

6050 The {Chairman.} Twenty-six ayes, 32 no's. The
6051 amendment is not agreed to.

6052 The chair now asks the gentlelady from California, Ms.
6053 Eshoo, for what purpose she seeks recognition.

6054 Ms. {Eshoo.} I have an amendment at the desk, Mr.
6055 Chairman.

6056 The {Chairman.} Is it to this title?

6057 Ms. {Eshoo.} It is.

6058 The {Chairman.} And will the clerk inform us whether it
6059 has been filed timely?

6060 The {Clerk.} It was, Mr. Chairman.

6061 The {Chairman.} The clerk will report the amendment and
6062 will have it distributed.

6063 The {Clerk.} Amendment offered by Ms. Eshoo of
6064 California. In title I, add at the end the following new
6065 subsection: subtitle J, clean technology business
6066 competition grant program. Section 191--

6067 [The amendment follows:]

6068 ***** INSERT 6 *****

|
6069 The {Chairman.} Without objection, the amendment will
6070 be considered as read and the gentlelady from California is
6071 recognized to explain her amendment.

6072 Ms. {Eshoo.} Thank you, Mr. Chairman and members of the
6073 committee. I am going to be brief in introducing this
6074 because I think that it is a clear, succinct idea. We all
6075 want national clean energy businesses to spring up all over
6076 the country region by region, and what this amendment does is
6077 to authorize a new program at the DOE which will be comprised
6078 of grants that would be allowed to be applied for by clean
6079 technology businesses in order to establish competitions in
6080 regions across the country. It is already happening in
6081 California. It is starting up in Colorado and in the Pacific
6082 Northwest and there are some really excellent and exciting
6083 examples of what is coming out of it.

6084 This is, I think, a very important set of bookends in
6085 that we can bring together and leverage what private sector
6086 and venture capitalists are doing relative to their
6087 investments in clean technology businesses and what we can
6088 help to facilitate with an authorization from the government.

6089 Mr. {Barton.} Will the gentlelady yield?

6090 Ms. {Eshoo.} I would be glad to.

6091 Mr. {Barton.} In the spirit of bipartisanship and

6092 cooperation, we are prepared to accept the amendment.

6093 Ms. {Eshoo.} Well, thank you to the ranking member. I
6094 will quit while I am ahead, and thank you for your support
6095 and urge the entire committee to support it. I think it
6096 would be a valuable addition to this effort. Thank you and I
6097 yield back.

6098 Mr. {Markey.} [Presiding] Do any other members seek
6099 recognition? Let me recognize the gentlelady from
6100 California, Ms. Capps.

6101 Ms. {Capps.} Just to offer brief testimony that clean
6102 technology business competitions can really accelerate the
6103 growth of clean technology companies and create jobs. Even
6104 in its short lifespan in California, these competitions are
6105 remarkably successful. Eighty-four percent of Clean Tech
6106 Open alumni are still viable businesses. They have created
6107 more than 500 jobs to date, are on track to create over 1,100
6108 jobs by the end of 2009. This is just in California.

6109 I just want to talk about just for 1 second, Life Cube
6110 is a Santa Barbara-based company directly benefiting from
6111 this competition. They provide environmental friendly
6112 inflatable shelters that contain everything a family requires
6113 during the critical first 72 hours after a disaster. This
6114 competition drives innovation, ensuring that America leads
6115 the world into a clean technology future.

6116 So I think this is a very commendable program. I think
6117 it really speaks to its success on the limited basis by the
6118 fact that it has been accepted by the other side and I want
6119 to salute the author and wholeheartedly support this
6120 amendment.

6121 Mr. {Markey.} Great. The gentlelady's time has
6122 expired. All time for debate on this issue has been
6123 completed. The question now comes on adoption of the
6124 amendment. All those in favor signify by the sign of aye.
6125 All those opposed, nay. The ayes have it. The amendment is
6126 adopted.

6127 Are there other member seeking recognition? The chair
6128 recognizes the gentleman from Missouri.

6129 Mr. {Blunt.} Mr. Chairman, I have an amendment at the
6130 desk.

6131 Mr. {Markey.} And I would ask the clerk if that
6132 amendment has been 2 hours in its gestation period.

6133 The {Clerk.} Mr. Blunt, is this number 595?

6134 Mr. {Blunt.} Yes, it is. It is on electricity price
6135 increases for residential--

6136 The {Clerk.} Thank you, sir. Yes, sir, it is.

6137 Mr. {Markey.} We will ask the clerk to report the
6138 amendment.

6139 The {Clerk.} Amendment to H.R. 2454 offered by Mr.

6140 Blunt. After section 2, insert the following new section.

6141 [The amendment follows:]

6142 ***** INSERT 7 *****

|
6143 Mr. {Blunt.} I think we can--

6144 Mr. {Markey.} Ask unanimous consent to--

6145 Mr. {Blunt.} Unanimous consent that we dispense with
6146 reading.

6147 Mr. {Markey.} Without objection, so ordered. The
6148 gentleman from Missouri is recognized to explain his
6149 amendment.

6150 Mr. {Blunt.} Thank you, Mr. Chairman, and on this
6151 amendment this would require the EPA administrator in
6152 consultation with the Secretary of Energy to every year
6153 prepare and certify a report to the Congress on average
6154 retail prices of electricity to residential users. If the
6155 administrator would determine that the average retail price
6156 of electricity sold to end users in the residential sector in
6157 one or more of the census divisions, and there are nine
6158 census divisions in the country, has increased by 10 percent
6159 above the 2009 rates adjusted for inflation, then the
6160 provisions of the Act would cease to be effective. So that is
6161 essentially what it does. I put the nine census regions in
6162 rather than the average because this legislation is going to
6163 impact different regions of the country I believe in
6164 dramatically different ways, such different ways that you
6165 could have an overall average that didn't increase by 10

6166 percent but you could have a region that would increase by a
6167 percentage well above that. For instance, in the State of
6168 Missouri and the census region that we would be in in our
6169 State, around 85 percent of all the electricity is produced
6170 by coal. In California, it is 4 percent. So we are clearly
6171 much more dramatically impacted than some average number in
6172 the country or in other regions in the country, and so, Mr.
6173 Chairman, this just simply would say that if that increase
6174 was 10 percent above the current rate adjusted for inflation,
6175 then the Act ceases to be effective and it would have to be
6176 essentially a ninth of the country or one of the nine census
6177 divisions.

6178 Mr. {Markey.} The gentleman's time has--

6179 Mr. {Blunt.} And I would yield back my time.

6180 Mr. {Markey.} The gentleman's time has expired. Are
6181 there other members seeking recognition? The chair
6182 recognizes the gentlelady from California, Ms. Eshoo.

6183 Ms. {Eshoo.} I thank the chairman. I respect the maker
6184 of the amendment but I am going to speak it against because
6185 the amendment focuses on electricity rates and tries to
6186 suggest that the rates are going to skyrocket under the
6187 legislation. The substitute actually directly protects
6188 against this through allocation of allowances. Under the
6189 substitute, 39 percent of total allowance value goes back to

6190 consumers via the local distribution companies which are the
6191 local electricity and natural gas providers. So that
6192 provision ensures that consumers will not see a substantial
6193 increase in their electricity and natural gas bills. Now, if
6194 there has been anything that members in various clusters have
6195 been discussing as we were looking to shape this legislation,
6196 it was to ensure that what you are saying is going to happen
6197 will not happen, and that is why what is built into the
6198 substitute deals directly with it, and what consumers really
6199 care about at the end of the day is their electricity bills,
6200 not their rates. Everyone in this country knows that one
6201 bill besides their credit card bill, their utility bill and
6202 what they are paying. So I don't look at the fine print
6203 about what my rate is. I look to see what the total cost of
6204 my bill is. And the bill also provides really significant
6205 support to every State to retrofit all leaky buildings that
6206 waste huge amounts of energy and money and the bill also
6207 requires more efficient appliances, which are very important,
6208 which save money for their owner every time they are used. I
6209 changed my appliances and I can see the difference not in the
6210 rate of my utility bill but in the overall lower cost of what
6211 I pay every month. The bill requires utilities to adopt
6212 energy efficiency programs. So I think all of these things
6213 that are built into the legislation are directed at that

6214 once-a-month event that everyone in the country, every
6215 household experiences, and that is what the cost of their
6216 utility bill is and speaks very clearly to that.

6217 So as I said before, I started out by saying I respect
6218 the gentleman but I think your amendment focuses more on
6219 rates. I think it is the other way around and how the bill
6220 actually directs itself toward keeping the costs low for
6221 consumers. Thank you. I yield back.

6222 Mr. {Markey.} The gentlelady's time has expired. Are
6223 there other members seeking recognition? The chair
6224 recognizes the gentleman from Texas, Mr. Barton.

6225 Mr. {Barton.} Thank you, Mr. Chairman. I rise in
6226 strong support of the Blunt amendment. I want to focus the
6227 committee's attention on what it specifically says. It deals
6228 only with residential electricity prices, average retail
6229 price of electricity sold to end users in the residential
6230 sectors. These are your voters. These aren't commercial
6231 users. These aren't industrial users. These are residential
6232 users, what they pay for electricity in their home.

6233 Now, the proponents of the pending bill before us can
6234 talk all they want about all these allowances to the
6235 commercial sector, the industrial sector and specific
6236 industries, but what this says is, if the retail price you
6237 pay in your home by census region goes up more than 10

6238 percent above whatever they are paying in this calendar year
6239 adjusted for inflation, then the provisions of the Act cease
6240 to be effective. Now, if those of you that think you have
6241 got this great cap-and-trade allowance system that is going
6242 to be painless to the economy and not going to raise rates,
6243 if you really believe that, accept this amendment because it
6244 is harmless. If retail electricity rates that your
6245 constituency at their homes don't go up more than 10 percent
6246 adjusted for inflation, this amendment never goes into
6247 effect. If on the other hand those of us that think it is
6248 going to be catastrophic to the economy and that rates are
6249 going to go up substantially, if we are right, this protects
6250 your residential consumers from that increase. It is pretty
6251 straightforward. Either we are right that this expensive
6252 cap-and-trade program is going to maybe allocate winners and
6253 losers in the industrial and commercial sector but it is not
6254 going to protect the residential sector, if we are right,
6255 this is the amendment that protects people who pay for
6256 electricity at their homes or their condominiums or their
6257 apartments.

6258 Now, we give a 10 fudge factor. That is non-trivial. I
6259 mean, you can go up 10 percent and then adjust that for
6260 inflation, so we are not saying you can't have any price
6261 increase at residential but if it goes up more than that,

6262 then the cap and trade ceases to be effective. Now, in
6263 Europe, where they have had cap and trade, their residential
6264 rates have gone up, okay? Now, maybe my friends in the
6265 majority have designed a cap-and-trade program that is going
6266 to be absolutely painless. I doubt that. But if they have,
6267 this will never kick in, but if you haven't, this protects
6268 your individual consumers in their homes, apartments and
6269 condos from having to pay because you haven't developed a
6270 cap-and-trade system that doesn't cost a lot of money. So I
6271 strongly support this. It is the residential consumer
6272 protection amendment and we should support it. With that, I
6273 yield back, Mr. Chairman.

6274 Mr. {Markey.} Great. The gentleman's time has expired.
6275 The chair recognizes the gentleman from Pennsylvania, Mr.
6276 Doyle.

6277 Mr. {Doyle.} Thank you, Mr. Chairman. I will be very
6278 brief. Mr. Chairman, am I correct when we look at the
6279 allocation section on utilities, the allocations that we
6280 provide in the bill go back to the local distribution
6281 companies and that is going to be used to deal with
6282 residential rates as well as commercial and industrial. Is
6283 that not correct?

6284 Mr. {Markey.} The gentleman is correct.

6285 Mr. {Doyle.} So we do address this in the bill. It is

6286 not just commercial and industrial customers that we hold
6287 harmless from this. We also hold harmless residential
6288 customers with the allocation, a rather generous one, that it
6289 goes through the LDCs to keep these rate hikes from
6290 occurring. So I think it is dealt with adequately in the
6291 bill and the amendment before us doesn't just say that we
6292 stop at 10 percent rate increase, it says that we stop our
6293 whole efforts to address climate change if it goes up. So I
6294 think that once again the bill has adequately addressed this
6295 need. It targets residential ratepayers as well as
6296 commercial and industrial and I see no need to support the
6297 amendment. Thank you, Mr. Chairman.

6298 Mr. {Markey.} The gentleman's time has expired. Are
6299 there other members seeking recognition? The chair
6300 recognizes the ranking member of the subcommittee, the
6301 gentleman from Michigan, Mr. Upton.

6302 Mr. {Upton.} Well, thank you, Mr. Chairman, and I
6303 certainly voice my support for this amendment. You know, in
6304 a number of hearings that we had over the last couple of
6305 months, there were a number of witnesses who said that this
6306 bill was only going to cost 13 cents a day. Well, let us
6307 make sure that it does. A 10 percent increase, this will
6308 cover them to make sure that there is not a problem. If it
6309 is not 10 percent, if somehow this amendment goes down, I

6310 think we ought to do what we are going to do with Mr. Rogers'
6311 amendment. It says if China and India aren't going to agree
6312 right away, we will give you 5 years. What percent should it
6313 be? If it is not 10, if that goes down, should it be 20,
6314 should it be 40, should it be 50 percent? Where should we
6315 draw the line so that consumers will find out whether they
6316 are taken care of or not, and there is another amendment that
6317 Mrs. Blackburn and I intend to offer a little bit later this
6318 evening, and that says to make sure that we have full
6319 transparency so the consumers know why their utility bills,
6320 why their electric bills are going up.

6321 In Michigan, our State legislature passed a renewable
6322 portfolio standard last year, and beginning in June or July
6323 all of us consumers are going to see exactly what that cost
6324 is going to be per month. It is going to be on our bill, and
6325 yes, I am going to look at it, and I think most consumers are
6326 going to look at it because for the average consumer in
6327 Michigan, look at Mr. Rogers here, I think it is going up
6328 3.50 or 4 bucks a month to make sure that we have the
6329 adequate deal for wind and solar and other issues there, and
6330 Michigan consumers are going to know what that cost is. So
6331 this is an amendment that lets people know just exactly what
6332 it is going to be, and if it not going to be 10 percent,
6333 should we look at 20 or 50 percent, and I think you will see

6334 those amendments coming forth if this amendment somehow is
6335 defeated. I yield back.

6336 Mr. {Markey.} The gentleman's time has expired. Are
6337 there other members seeking recognition?

6338 Mr. {Braley.} Mr. Chairman.

6339 Mr. {Markey.} The chair will recognize the gentleman
6340 from Iowa, Mr. Braley.

6341 Mr. {Braley.} Thank you. I would just like to point
6342 out that the language as drafted would exclude all provisions
6343 of the Act if this provision would kick in at the 10 percent
6344 level. So that means all the energy efficiency provisions in
6345 title II which have absolutely nothing to do with global
6346 warming would be gone. It means all of the other provisions
6347 that are part of the bill moving us in a clean energy
6348 direction would be gone regardless of whether they were part
6349 of the overall plan to combat global warming and climate
6350 change. And so that would be one of the best reasons I know
6351 of to vote against this amendment because it is overbroad.
6352 It would go way beyond the scope of what the amendment is
6353 intended to accomplish, which is to address the impact of
6354 global warming provisions in the bill and it would basically
6355 gut the entire Act including many other positive benefits,
6356 and that is why I oppose it.

6357 Mr. {Markey.} would the gentleman yield?

6358 Mr. {Braley.} Yes.

6359 Mr. {Markey.} And let us go beyond that. Let us just
6360 say for the sake of the discussion that a utility or a group
6361 of utilities began to construct nuclear power plants and God
6362 forbid some event with the nuclear power plant occurs
6363 somewhere in the world and as a result nuclear power plants
6364 again are not constructed. Well, that could lead to a 10
6365 percent increase in the rate base of those areas in the
6366 country that were dependent upon it. It has happened before.
6367 It could happen again. Let us say, God forbid, some
6368 international incident occurs in the Middle East that leads
6369 to a dramatic spike in energy prices. Well, that as well
6370 would be something that was not in fact caused by this
6371 legislation. Let us just sake for the sake of the discussion
6372 that electric utilities, a group of them decided to decrease
6373 their industrial electricity rates and compensate for it by
6374 increasing their residential rates. That too would have
6375 nothing to do with this legislation but all of it, as the
6376 gentleman from Iowa is pointing out, would lead to a
6377 cessation of all provisions in legislation that would be
6378 unrelated to those events.

6379 These are the same kinds of comments that were made
6380 after the 1990 Clean Air Act was passed. The same kind of
6381 comments were made about how high the rates would go. But

6382 the reality was that within the years after the Clean Air Act
6383 of 1990 passed, on average electricity rates have fallen 19
6384 percent. In fact, the electricity rates in the State of
6385 Missouri fell 59 percent between 1990 and the year 2006. On
6386 the other hand, the Energy Information Agency projects that
6387 electricity prices will rise 3 percent over the next year and
6388 15 percent by 2030.

6389 So electricity prices have already gone up by 25 percent
6390 in the last 4 years. The status quo is not working. The
6391 real threat to consumers is that their pocketbooks could be
6392 threatened by events because we haven't put in place a new
6393 plan that would give us new sources of domestically generated
6394 electricity. So for all those reasons, I think a no vote is
6395 recommended on this amendment. I thank the gentleman from
6396 Iowa for the points which he made, and does he wish to
6397 continue or to yield back the balance of his time?

6398 Mr. {Braley.} Yield back the balance of my time.

6399 Mr. {Green.} Will the gentleman yield?

6400 Mr. {Braley.} Yes, I will yield.

6401 Mr. {Green.} I don't know if you can answer the
6402 questions. It may be better if we yield to the sponsor of
6403 the amendment. What is the census division? Is that a
6404 State?

6405 Mr. {Blunt.} There are nine in the country so they are

6406 regional.

6407 Mr. {Green.} I guess my concern is, is that, for
6408 example, the State of Texas, we have ARCOD. It is all the
6409 State of Texas and yet we have other utilities that serve
6410 areas across State lines so they come under federal law. How
6411 would this work in States that by the census division it
6412 would be difficult to do this? And I guess my concern too is
6413 that, does the EPA ever have the ability in consultation with
6414 anyone to modify or change something we actually pass in a
6415 rate-setting situation?

6416 Mr. {Blunt.} Well, there would be two ways really to
6417 look at this, I would say to my good friend from Texas. One
6418 is, you could just have a national average, the problem is,
6419 this is not going to have national average impact and so what
6420 this amendment as drafted says if in within one of those nine
6421 regions, if in essentially one-ninth of the country you have
6422 impact beyond what this committee anticipates, that the law
6423 no longer would apply. I would say to my friend from Iowa,
6424 who controls the time, if we could possibly modify this so
6425 that only title III where you would still have many of the
6426 sections of the bill but you wouldn't have the title III
6427 section. The goal here is not to throw out the entire bill
6428 but the goal here is to be sure that residential customers
6429 have the protection the gentlewoman from California and the

6430 gentleman from Pennsylvania said they would have but the
6431 chairman explained all the ways that residential ways could
6432 go up, and that is what we want to avoid here, a residential
6433 setting where rates go up.

6434 Mr. {Green.} Mr. Chairman, if I could ask for 2 more
6435 minutes for the gentleman from Iowa so we could have an
6436 exchange and that way I won't have to ask for my time?

6437 Mr. {Markey.} The members hear the unanimous consent
6438 request. Without objection, 2 minutes added to the time of
6439 the gentleman from Iowa.

6440 Mr. {Green.} To our colleague from Iowa and from
6441 Missouri, I guess my concern is, by adopting this amendment,
6442 we may take it off of our responsibility whether it is the
6443 regions or the States or as a Nation. We didn't have any
6444 testimony that said we would lower rates by doing cap and
6445 trade or even a carbon tax, since that is what your side
6446 wants to do, but I think this may be punted by Congress and
6447 saying oh, the EPA is supposed to take care of that. It is
6448 actually going to be our responsibility to respond, and that
6449 is why I think this amendment may be an effort to cover the
6450 Congressional responsibility if we have a substantial
6451 increase in the rates in regions, I would go down to States
6452 even. But that is our job and so that is why I think the
6453 amendment may not be the best for our bill because I want us

6454 to come back and revisit it on a regular basis, which I think
6455 we will over the next 10 years that it is effective, and I
6456 thank my colleague from Iowa for yielding.

6457 Mr. {Markey.} The gentleman from Iowa?

6458 Mr. {Braley.} I just wanted to comment on the gentleman
6459 from Missouri's point, and I think one of the things that is
6460 so unpredictable, and this is something that I have
6461 experienced firsthand in my first two terms is we had a
6462 massive ice storm event that had an enormous impact on public
6463 utilities in my State. A year ago we had the most powerful
6464 tornado in the country hit my district, which had an enormous
6465 impact on utilities in my State, followed by the worst
6466 flooding that we had ever seen. And so when you break it
6467 down into these census divisions, you can't adjust for
6468 natural disasters and the regional impact they have that
6469 could cause these price fluctuations without any regard to
6470 the gains that are being made from the attempts to combat
6471 climate change. So that is why I am uncomfortable with the
6472 language even in a modified form, and I yield back the
6473 balance of my time.

6474 Mr. {Markey.} Great. The gentleman yields back. Are
6475 there other members seeking recognition? The chair
6476 recognizes the gentleman from Indiana, Mr. Buyer.

6477 Mr. {Buyer.} Thank you. I move to strike the last

6478 word.

6479 Mr. {Markey.} The gentleman is recognized for that
6480 purpose.

6481 Mr. {Buyer.} I needed to respond to my good friend, Mr.
6482 Doyle. Mr. Doyle, earlier you had made comment with regard
6483 that sufficient provisions were in the bill to protect
6484 consumers with regard to rate increases, and I just want the
6485 gentleman to know, I do not know the electric power portfolio
6486 with regard to Pennsylvania. I don't know what it is. I
6487 could probably look that up. But with regard to Indiana, we
6488 are about 96 percent coal, zero nuclear with 3 percent
6489 natural gas and .4 percent renewables. So we are a highly
6490 dependent State on coal, and given how the permits are being
6491 allocated, 50 percent to the CO2 emission and 50 percent to
6492 retail sales, we are going to be punished in Indiana. So
6493 when permits are handed out, to take a State like--according
6494 to the Edison Electric Institute, EEI, California, their post
6495 office, 23 percent nuclear, 13 percent large hydro, 12
6496 percent renewable, 47 percent natural gas, 4 percent coal, 1
6497 percent fossil fuel. So they are very, very low with regard
6498 to their emissions. Indiana is extraordinarily high with
6499 regard to our emissions, and so when you look at the
6500 allocations, what is happening is, certain States are going
6501 to receive a tremendous windfall with regard to allocation of

6502 the permits. States like Indiana, when we only get 50
6503 percent, we are going to have to go out and then purchase
6504 those out onto the marketplace. And when those are
6505 purchased, that is a cost that is borne by someone. So with
6506 regard to our State, Mr. Doyle, in Indiana, your comments
6507 might be helpful to a consumer in a State that has a good
6508 energy portfolio, but with regard to Indiana, we are going to
6509 get punished and we are going to get really high rates.

6510 Mr. {Doyle.} Will the gentleman yield?

6511 Mr. {Buyer.} Sure, and I would just like to ask the
6512 gentleman, did you take the Midwest States into
6513 consideration?

6514 Mr. {Doyle.} I would just say to the gentleman, every
6515 single one of my constituents gets their electricity from
6516 coal, so the whole purpose of allocating 35 percent of the
6517 total pot of allocations to the electric utilities and to
6518 take those allocations and pass those allowances down to the
6519 local distribution companies specifically so in States like
6520 yours and mine that are heavily dependent on coal, that this
6521 can be free allocations that are going to the LDCs will help
6522 mitigate these price spikes. So, I mean, this is
6523 specifically being done to help States like mine and yours
6524 against this.

6525 Mr. {Buyer.} Would you be more favorable if these

6526 permits were based on a 100 percent allocation of emissions
6527 as opposed to retail sales?

6528 Mr. {Doyle.} I am not sure what you mean by that.
6529 Maybe the chair can clarify, but my understanding is, 35
6530 percent of the total emissions, we are talking about some \$35
6531 billion, is going to flow down through the LDCs and that is
6532 going to be used specifically to mitigate price spikes in
6533 residential, commercial and industrial users.

6534 Mr. {Buyer.} Mr. Doyle, I am referring to the permits.
6535 As those permits are allocated, they are allocated 50 percent
6536 based on the utilities' retail sales and 50 percent based on
6537 the CO2 emissions for the utilities. So I am just saying,
6538 would you be supportive then of all of our consumers are 100
6539 percent coal, mine are 96 percent coal, that we should do a
6540 100 percent allocation based on emissions instead of retail
6541 sales? That avoids this tremendous windfall to States out
6542 there.

6543 Mr. {Markey.} Would the gentleman yield?

6544 Mr. {Doyle.} I would like to hear clarification from
6545 staff because that is not my understanding.

6546 Mr. {Markey.} If the gentleman would yield, this is a
6547 carefully crafted compromise with the Edison Electric
6548 Institute lead by Duke Power, you know, the largest utility
6549 in Indiana, which was the utility that basically argued for

6550 this formula for your consumers. So this is Jim Rogers
6551 asking for this formula because he felt that it was best and
6552 he was reflecting on Indiana when he was asking for it. So
6553 we were deferring here to the Indiana utility as it would
6554 then relate to the local distribution, as it would relate to
6555 the consumer--

6556 Mr. {Buyer.} Reclaiming my time, I would submit that
6557 Jim Rogers does not speak for consumers in Indiana. I will
6558 yield back.

6559 Mr. {Markey.} Are there other members seeking
6560 recognition on this side?

6561 Mr. {Radanovich.} Mr. Chairman.

6562 Mr. {Markey.} We will turn and recognize the gentleman
6563 from California, Mr. Radanovich.

6564 Mr. {Radanovich.} Thank you, Mr. Chairman. I
6565 appreciate the time, and I too rise in strong support of this
6566 amendment. We did have a hearing before this began, and
6567 former Vice President Al Gore, the main proponent of this
6568 legislation, was testifying before the committee and said
6569 that we would be able to essentially move from fossil fuels
6570 to reliance on solar and wind energy, enhance the economy and
6571 reduce dependence on foreign oil at 33 cents per household
6572 per day, and I find that hard to believe. We have heard
6573 estimates that the real cost of this thing per household

6574 could be anywhere between \$2,500 to \$4,500 per year, and I
6575 kind of look at this as more of a put your money where your
6576 mouth is amendment. If this bill does accomplish all that it
6577 does, the last thing that I know that my friends on the other
6578 side of the aisle would want to do would be to raise
6579 residential rates and rates to consumers, but there is a
6580 large body of evidence and a lot of people that believe that
6581 if you are trying to replace the fossil fuel industry with
6582 solar and wind and a few other things without identifying a
6583 new energy resource, the impact is going to be place a heavy
6584 burden on the economy and the individual consumer. So I
6585 think that it ought to be in everybody's interest on this
6586 committee to begin to look to ways to ensure safeguards in
6587 there that when prices to consumers rise as a result of this
6588 legislation, I think we need to be far less worried about a
6589 nuclear accident or any other national or world catastrophe
6590 that is going to raise rates because this bill and the
6591 effects of cap and trade are going to do it for them, and
6592 everybody ought to be on board on devising some type of a
6593 system that speaks for the residential mom and day in their
6594 house paying the electric bills that are going to increase
6595 300 or 400 percent as a result of legislation like this.

6596 So I would hope that the issue or the amendment and
6597 folks on the other side, if you want to tailor this to make

6598 it work, I think it is all in the best interest of the
6599 American people to be protected from this kind of
6600 legislation. Thank you, Mr. Chairman. I yield back.

6601 Mr. {Markey.} Great. The gentleman's time has expired.
6602 Are there other members seeking recognition on the majority
6603 side? Then we will turn back again to the minority side and
6604 recognize the gentleman from Pennsylvania, Mr. Pitts.

6605 Mr. {Pitts.} Thank you, Mr. Chairman. I rise in strong
6606 support of this amendment. I have been in contact with our
6607 public utility commission in Pennsylvania as to their
6608 thoughts on this legislation, and they are so concerned they
6609 have requested to meet with our Congressional delegation and
6610 are coming down to do that, but they provided us written
6611 analysis a couple of weeks ago of this legislation, and they
6612 concluded that this would result in a sizable hike in the
6613 electric bills of residential customers, among other things.
6614 I won't read all of them but that is a direct quote. They
6615 say that they are far from convinced that the negative
6616 impacts of this legislation could have on our State's economy
6617 are fully understood and appreciated, and the cost estimate
6618 are staggering. Take, for example, the recent study
6619 conducted for PJM, that's the regional transmission
6620 organization, the RTO, to which Pennsylvania belongs, that
6621 provides an assumed cost of \$60 per short ton of CO2 emission

6622 allowances. By the year 2013, they said this would result in
6623 an annual PMJ-wide market impact of nearly \$36 billion in
6624 higher energy prices and rate increases of over \$400 annually
6625 for residential ratepayers, and whether we reach the \$60 per
6626 short ton figure or not, the impact will likely be a
6627 nightmare for regulators. Pennsylvania is the fourth largest
6628 coal producer in the Nation. They distribute over 75 million
6629 tons of coal each year, roughly 7 percent of our Nation's
6630 coal supply is in Pennsylvania and 58 percent of all of our
6631 electricity in Pennsylvania comes from coal. So I think we
6632 need to listen to experts. These are the ones in our State
6633 who are dealing with these electricity rates and the minutia
6634 of them on a daily. They are recommending--

6635 Mr. {Doyle.} Will the gentleman yield?

6636 Mr. {Pitts.} Sure.

6637 Mr. {Doyle.} I also met with Commissioner Paulson. I
6638 didn't meet with the others. And Joe and I had talked about
6639 having a meeting for the Pennsylvania delegation with our PUC
6640 to discuss the legislation. One of the things that came out
6641 in my meeting with Commissioner Paulson was, that they were
6642 basing this report on the draft. They were not knowledgeable
6643 nor had seen the chairman's substitute so a lot of these
6644 points that were of concern to them have been addressed in
6645 the bill, so what we have agreed to do is have a meeting with

6646 our PUC after this markup so that they have the benefit of
6647 seeing that the changes that have been incorporated in the
6648 bill and they can reanalyze the draft, and I look forward to
6649 hearing their comments once they have been able to see this,
6650 but the report that you speak of, and it is the same thing
6651 Paulson said to me, was based on the draft and he had no
6652 knowledge of the revisions that--

6653 Mr. {Pitts.} Reclaiming my time. I still after talking
6654 to Paulson and the Democrats, not just the Republicans, both
6655 sides on the PUC have a belief that this will have dramatic
6656 impacts on our residential rates, and I look forward to the
6657 meeting as well. But I think a vote for this amendment will
6658 protect our consumers against significant increases in our
6659 residential electric rates and I urge support for it.

6660 Mr. {Markey.} Great. The gentleman's time has expired.
6661 Are there other members seeking recognition? The chair
6662 recognizes the gentleman from Nebraska, Mr. Terry.

6663 Mr. {Terry.} Thank you, Mr. Markey. First of all, I
6664 have two documents, one identified as Met America
6665 Calculations of Actual Allowances Allocated by Waxman-Markey,
6666 which is their review of the chairman's substitute draft that
6667 was provided to the public and members Thursday afternoon.
6668 The second document is entitled Estimated Cost Impacts of
6669 H.R. 2454 on OPPD's Generating System and its retail

6670 customers. I would like to submit both those for the record.

6671 No objections, so ordered.

6672 [The information follows:]

6673 ***** COMMITTEE INSERT *****

|
6674 Mr. {Markey.} Without objection, it will be included in
6675 the record.

6676 Mr. {Doyle.} I would like to read a few paragraphs of
6677 Mid America's analysis of the substitute that was provided on
6678 Thursday. Met America's CEO and I met and talked over the
6679 weekend. He is a resident of my district, although it
6680 services most of Iowa, so within a few miles of my house.
6681 OPPD represents my constituents or provides electricity to my
6682 constituents. Very quickly, a few of the paragraphs from Met
6683 America. First, the methodology used for allocating
6684 electricity industry allowances is not based on total
6685 economy-wide U.S. emissions in 2005, which according to the
6686 EIA was 7.2 billion tons of CO2 equivalent. If we use the 35
6687 percent figure agreed upon, the electric industry would have
6688 been allocated approximately 2.5 billion allowances.
6689 Instead, the bill uses a formula that allocates allowances
6690 from the total allowance pool of capped industries. That is
6691 an important distinction. Then on page 407 of the bill you
6692 will see a table that gives annual allowance amounts for this
6693 pool. In 2012, the figure is 4.6 billion allowances. One
6694 percent is skimmed off the top for strategic reserve
6695 allowances, which increases to 2 percent in 2020. Then the
6696 bill further prescribes that the industry will receive 43.75

6697 of the approximately 4.6 billion allowances in 2012, in other
6698 words, slightly over 2 billion allowances. Where that 43.75
6699 figure comes is not clear. That 2 billion allowance figure
6700 is a 16 percent reduction from the 2.4 billion tons of CO2
6701 emitted by the electric power sector in 2005 as measured by
6702 the EIA. So it is accurate to say that the electric power
6703 industry is not getting 90 percent of the allowances for
6704 free. By the way, the allowance allocation for merchant coal
6705 generation is subtracted from the 2 billion as well as an
6706 unknown amount for long-term power purchase agreements,
6707 whatever is left, which will be well below 2 billion
6708 allowances. It is distributed to local distribution
6709 companies based on a formula of historic emissions. Going
6710 through the entire package, they estimate that their 2012
6711 costs are \$900 million.

6712 OPPD, again that generates electricity for my
6713 constituents, estimates that the draft that was provided on
6714 Thursday afternoon, again sitting down with a team of
6715 lawyers, their estimate is that \$54 million in 2012 and
6716 increasing to \$410 million a year by 2030 in their most
6717 optimistic case. Estimated costs based on more realistic EPA
6718 assumptions have OPPD costs ranging from \$173 million a year
6719 in 2012 and increasing to \$1.3 billion a year in 2030. OPPD
6720 makes the point that that is just on the cap and trade, the

6721 allowance section. That doesn't even count the increased
6722 costs to meet the renewable electricity portfolio or
6723 standard. With that, I yield back.

6724 Mr. {Markey.} The gentleman's time has expired. Are
6725 there other members seeking recognition at this time? The
6726 chair sees no one on the majority. We look to the minority,
6727 and I will recognize the gentleman from Michigan, Mr. Rogers.

6728 Mr. {Rogers.} Thank you, Mr. Chairman. You know, there
6729 are two great quotes I think on this. One was the now
6730 President of the United States when he said that the cap-and-
6731 trade bill would ``necessarily skyrocket electricity rates.''
6732 My friend, Mr. Doyle, who stepped out, also said even in the
6733 conversation that they hope that these allocations would
6734 serve to ``mitigate price spikes.'' It is very clear to
6735 anyone who reads the language that electricity prices are
6736 going up because of this. In Michigan, and Mr. Upton brought
6737 up a great example, not only do we have an RPS fee that is
6738 going to be associated with every bill in the State of
6739 Michigan but both of the companies, one asked for an 11
6740 percent increase and the other is an 18 percent increase, and
6741 both are before our public commissions today. Eleven and 18
6742 percent increases. And on top of that, a renewable portfolio
6743 standard fee that is going to be charged to every consumer at
6744 the end of the month. One in three Michigan families are

6745 behind over 30 days in their electricity bill, one in three.
6746 One in three. What this bill says is, we are just not going
6747 to crush you, we know you guys can't have big fancy lobbyists
6748 who help negotiate the bill and can discuss very complicated
6749 allocations of 35 percent that really don't mean 35 percent
6750 that deal with future contract purchases and the fluctuating-
6751 -they don't care. They know that they have a refrigerator
6752 that they have to have electricity to keep their food cold
6753 and fresh for their family. They know that when kids get out
6754 on the computer it costs them more money to do their
6755 homework. That is what they know. And they know that they
6756 just want somebody somewhere to stand up and say hey, what
6757 about me, what about the little guy, I am having a hard time
6758 making my house payment. As the statistics show, one in
6759 three houses can't even make their electric bill payment on
6760 time. And all that we are asking is, give them a break,
6761 please. Don't do this to them. Because if the whole idea of
6762 cap and trade works, you have to make it more expensive, and
6763 these companies can't absorb it all. They have to find new
6764 ways to invest in alternative forms of energy, so if that is
6765 what you want, it has to be more expensive, and consumers
6766 have to pay for it. We talk about billions of dollars.
6767 Where do you think it is coming from? We are going to borrow
6768 it from China to try to give to the utility company that has

6769 a guaranteed rate of return. Anybody think that is a good
6770 idea? And the person who gets up every day and is trying to
6771 make his job or her job work, who gets their kids on the bus
6772 and drives to work and just hopes at the end of the day
6773 somebody is thinking about them because they weren't in the
6774 room. I will guarantee you that. And if you got in the
6775 room, you got taken care of. If you weren't in the room,
6776 sorry, you have to pay for this thing.

6777 This has real consequences for real families, and all
6778 this is, is an insurance marker. If you believe what you
6779 say, this bill means nothing, this amendment means nothing.
6780 It won't be a problem. But if you don't and you do worry
6781 that the President of the United States was right when he
6782 said electric bills will skyrocket, like my good friend, Mr.
6783 Doyle, said that they are going to have to mitigate spiking
6784 prices, okay. I don't think the intention here is wrong but
6785 let us build in a little protection for the little guy, the
6786 person who is still trying to build something in America, who
6787 is still trying to make their truck payment and their
6788 electric bill payment and trying to figure out after all of
6789 that, after their 401(k) is now a 101(k), how they get their
6790 kids through school. This is the wrong time to not protect
6791 the little guy who is trying to pay these bills.

6792 Mr. {Doyle.} Will the gentleman yield?

6793 Mr. {Rogers.} I will yield, yes, sir.

6794 Mr. {Doyle.} I mean, the biggest chunk of allocation,
6795 not auction, is specifically going to these distribution
6796 companies to pass through to ratepayers so that the things
6797 that you are talking about don't happen.

6798 Mr. {Shimkus.} Will the gentleman yield?

6799 Mr. {Rogers.} Let me just reclaim my time. It is very
6800 clear, and Mr. Terry did a fantastic job of going through how
6801 the 35 percent really isn't even 35 percent, and it is
6802 submitted for the record. I will give you a copy of it. And
6803 that is the problem when you get all these complicated
6804 allocations for people who--you know, this corporation gets
6805 this allocation and if you build this, you get this
6806 allocation, and electricity-producing companies, you are
6807 going to get this based on this with this formula, and I will
6808 tell you what all of that complication means: It means the
6809 guy who is paying the electric bill is going to get the
6810 shaft. That is what that means. And that is what it clearly
6811 spelled out when they broke down the allocation because it is
6812 based on nothing. You have created this allocation cap based
6813 on what you think is right. That is the problem. It is not
6814 based on real science. You picked the cap and then you broke
6815 a pot of money and then you decided you were going to take 35
6816 percent, and oh, by the way, here are the exceptions to that

6817 35 percent and how you can spend it and they go to the PUC
6818 and say we are losing money, we are guaranteed a rate of
6819 return, you have to pay the bill at the end of the day. Just
6820 give them the insurance. That is all I am asking. Please,
6821 give these people the insurance they need.

6822 Mr. {Markey.} The gentleman's time has expired. Are
6823 there other members seeking recognition on the majority side?
6824 All right. We will turn again to the minority and recognize
6825 the gentleman from Pennsylvania, Mr. Murphy.

6826 Mr. {Murphy of Pennsylvania.} Thank you, Mr. Chairman.
6827 As we proceed on this, I believe someone made a comment about
6828 this being equivalent to the rate of a postage stamp, which,
6829 by the way, that per day comes out to about \$156 a year, not
6830 including cost of goods made in the United States that are
6831 also going to be added to that as well, and I guess that
6832 doesn't assume that the cost of postage stamps have gone up a
6833 third in the last 10 years, 33 percent. Overall, the part of
6834 this we have to understand is, and I want to make sure I have
6835 this, so if steel mills are being hurt by production, they
6836 get some money back, and if families get hurt by this, they
6837 get some money back. This reminds me of the great comedian
6838 Jonathan Winters. Some years ago he was oftentimes
6839 challenged with being shown a photograph and he had to make
6840 up a joke about it, and they handed him this picture of the

6841 Eiffel Tower, and Jonathan Winters said, ``This is a picture
6842 of something they built in Paris so they could put a red
6843 light on top of so that planes wouldn't crash into it.'' And
6844 I wonder how this cycle goes and how we explain this to
6845 constituents, that we are taking the money away from you so
6846 that we can give it back to you at another rate and that is
6847 going to--I mean, it begins to lose it for folks. I mean,
6848 the bottom line comes down to this, that we are still saying
6849 we are having to defend a position here where we want to have
6850 clean energy. I don't think there is any question on that.
6851 But I still wonder about these tax increases and other
6852 increases that are taking place here that are going to be a
6853 burden back on every family in terms of paying their electric
6854 bill, paying more for goods and services of anything made in
6855 this country, and that has to be something that we are going
6856 to have problems explaining to our constituents, and I yield
6857 back.

6858 Mr. {Markey.} The gentleman's time has expired. Are
6859 there any members on the majority side? The chair recognizes
6860 the gentleman from Michigan, Mr. Stupak.

6861 Mr. {Stupak.} Thank you, Mr. Chair, and I would yield
6862 you my time.

6863 Mr. {Markey.} I thank the gentleman for yielding to me.
6864 And it has been sometime since we made these points so I will

6865 make the points again just so that they are introduced from
6866 the majority side into the debate. This proposal that we are
6867 working from is endorsed and supported by the Edison Electric
6868 Institute, and that includes AEP, Duke Energy, NRG, Excel,
6869 Exelon, Constellation, PG&E, on and on. But it also happens
6870 to have the benefit of being supported by NARUC, the National
6871 Association of Regulatory Utility Commissioners. It also has
6872 the benefit of being endorsed by the National Association of
6873 State Consumer Advocates, the consumer side as well. It also
6874 happens to be a formula that is endorsed by the Center for
6875 Budget Priorities. Those are the people that spend their
6876 time trying to figure out how things like this impact
6877 ordinary people and their homes. So we worked very hard, and
6878 they all support this proposal because they believe that it
6879 does accomplish the goal of protecting consumers. I don't
6880 think that we had EEI endorsing anything or supporting
6881 anything back in 1990 or 1978 or 1970 when we were going
6882 through earlier iterations of the Clean Air Act unless and
6883 until they are completely satisfied. And so just for the
6884 record, this proposal supposes something that would not have
6885 been thought through by in each State the kind of interests
6886 here that have a stake in keeping electricity rates stable,
6887 and I think that Mr. Doyle has done a good job over and over
6888 again in remaking this point, ensuring that everyone

6889 understands that Mr. Boucher along with many other members
6890 spent a lot of time with the affected utilities but also the
6891 State regulatory commissioners and others ensuring that this
6892 formula was a workable one and would, as the gentleman said,
6893 make sure that we would not seek spiking electricity rates.

6894 So I just introduced that once again so that the members
6895 can hear it, and my time has expired, and I will now
6896 recognize--

6897 Mr. {Blunt.} Will the gentleman yield?

6898 Mr. {Markey.} And if I may rescind my sending back my
6899 time and there is no objection, then I will yield to the
6900 gentleman from Missouri.

6901 Mr. {Blunt.} I will try to be quick in my 32 seconds.
6902 I thank my friend for yielding. There has to be--if the
6903 gentleman is right, if the chairman is right, if there is no
6904 impact, then I don't see the harm of the amendment. If there
6905 is an impact, I don't think the person gets the utility bill
6906 and we say well, the consumer advocates thought this would be
6907 good and the regulators thought this would be good and the
6908 power company thought this would be good, I don't think that
6909 is going to be a very good answer to that person. So there
6910 has to be some percentage where surely this committee would
6911 be willing to say if the rate goes up at some level, we would
6912 be willing to do something. I said we could make it apply to

6913 only title III. We are willing to work here but this is a
6914 problem that you say won't be a problem and we say if it is
6915 not a problem, what is wrong with coming up with a safe
6916 solution? I thank the gentleman.

6917 Mr. {Markey.} If I may reclaim my time just to briefly
6918 say that the gentleman from Pennsylvania has already pointed
6919 out that those anticipated spikes won't be as a result of
6920 this bill. However, they could be as a result of other
6921 events that do occur. Those are the types of events that the
6922 gentleman from Iowa was making reference to, a litany that I
6923 went down as well, but it won't be because of this bill but
6924 then because of some other catastrophic event that occurred,
6925 it could lead to a suspension of the entire bill, and that is
6926 the problem with the gentleman's amendment. My time is
6927 expired and I will now turn to the minority to look for other
6928 members--

6929 Mr. {Shimkus.} Mr. Chairman.

6930 Mr. {Markey.} --who are seeking recognition. The
6931 gentleman from Illinois, Mr. Shimkus, is recognized.

6932 Mr. {Shimkus.} Thank you, Chairman. This is an
6933 important debate. Because of deregulation in the electric
6934 utilities in Illinois, we actually saw a huge public outcry,
6935 so much that they forced the State legislature to go back and
6936 in essence rescind some of the legislation. So this could

6937 very well happen here. This is an insurance policy. I
6938 concur with my colleague that says if you are right, no harm,
6939 no foul, but if you are wrong, as we call for a vote on this
6940 amendment, you are going to be on record saying no, we are
6941 not going to rescind this bill if electricity costs go up 15
6942 percent or 20 percent or what they did in Illinois, 30 and 50
6943 percent. Now, votes have consequences, and if that is the
6944 side that you all want to be on, but let us talk about the
6945 caps provision. When Mr. Boucher originally put the
6946 counterproposal on what the caps would be, they were to be 40
6947 percent, which would be 100 percent of the CO2 emissions.
6948 Well, guess what, gang? He didn't get 40 percent. He only
6949 got 35. So there is already 5 percent of the credits that
6950 are going to be pushed on to a rate hike somewhere because it
6951 doesn't cover all the emissions. The draft already talks
6952 about, it is only 90 percent. It is not 100 percent. So how
6953 is the additional 10 percent going to be passed on? It is
6954 going to be passed on through higher costs and this is a
6955 protection to keep that from happening to the individual
6956 electricity user.

6957 Now, Mr. Terry in his analysis correctly identifies that
6958 the 35 percent is really not a 35 percent, so the question
6959 is, what is the percent, and if it is not 35, what is it? So
6960 then you take the original proposal of 40 percent, which was

6961 the Boucher counter, by golly, we are going to get 40
6962 percent, we are going to cover electricity generators and
6963 make sure that the--then he sold out for 35. Now you check
6964 the fine print and 35 is not 35. All we are saying is, you
6965 better have yourself covered and you better have yourself
6966 covered with your electric utility ratepayers. And this is a
6967 10 percent. I mean, it gives you room for some increase in
6968 utility rates up to 10 percent. I would think that anything
6969 over 10 percent would be egregious and we ought to re-look at
6970 the bill.

6971 Now, if you all don't think that 10 percent increase in
6972 utility rates is bad for your consumers or your constituents,
6973 then I would invite you to rural, poor southern Illinois. As
6974 I said in my opening statement, this bill disproportionately
6975 harms the poor. They are not buying new generation
6976 refrigerators. They are not buying new generation washer and
6977 dryers. They are traveling long distances so any increase in
6978 electricity hurts the poor, and I am actually really
6979 surprised that the Democrat party that espouses the fight for
6980 the little guy are fighting for the big guy in this bill.
6981 You are fighting for the big guys, big electric, big
6982 utilities, EEI, by golly, big steel, all the big guys. Who
6983 is fighting for the little guy? You know who is? We are
6984 because we have a simple amendment that says if electricity

6985 rates go over 10 percent, we ought to re-look at this bill.

6986 Mr. {Gingrey.} Will the gentleman yield?

6987 Mr. {Shimkus.} I would be happy to yield.

6988 Mr. {Gingrey.} I appreciate the gentleman yielding. I
6989 really don't know what the Democratic majority, what their
6990 fear of the Blunt amendment is. I mean, it calls for an
6991 increase by more than 10 percent, then the provisions of this
6992 Act shall cease to be effective. I am thinking back on
6993 Medicare Modernization and the Prescription Drug Act. We had
6994 a provision in that bill concerned over increased costs of
6995 Part D that if the overall spending on Medicare reached 45
6996 percent threshold, then the President would have to
6997 immediately notify Congress and Congress would have to within
6998 a very short period of time take action to bend that growth
6999 curve, to bring that down, because it would be unsustainable.

7000 My colleagues, I think I remember shortly after Madam
7001 Speaker became Madam Speaker that this very thing happened.
7002 The President notified the Congress and the new majority, the
7003 Democratic majority, that more than 45 percent out of the
7004 general treasury was not paying for the tab on Medicare and
7005 not nearly enough coming out of Part B, and the Speaker, as I
7006 recall, just simply ignored that provision. So let us pass
7007 this amendment and then you would have the opportunity,
7008 assuming that she is still Speaker, of once again ignoring

7009 it, and I will yield back to my colleague from Illinois.

7010 The {Chairman.} The gentleman yields back his time. I
7011 think we have had enough debate on this amendment. Are we
7012 ready for the vote? How many members still wish to speak on
7013 this amendment? One, two, three. Would you be willing to do
7014 3 minutes each? Okay, how about the others of you? Will you
7015 do 3 minutes each?

7016 Ms. {Blackburn.} I would prefer to take my full 5
7017 minutes, if may, please, sir.

7018 The {Chairman.} Okay. Let us go in order of seniority.
7019 Mr. Burgess.

7020 Mr. {Burgess.} Thank you.

7021 The {Chairman.} Let me point out, after the three of
7022 you, we are going to move to vote.

7023 Mr. {Burgess.} And Mr. Chairman, with your permission I
7024 would like to ask a question of counsel.

7025 The {Chairman.} Your time.

7026 Mr. {Burgess.} Thank you. I am concerned about the
7027 consumer protections that we have been hearing so much about,
7028 and I can't find in the bill, and maybe you can help me,
7029 where does it say that the consumers will actually get money
7030 from the distributors in this allocation scheme?

7031 {Counsel.} Section 783 says that with respect to the--

7032 Mr. {Burgess.} Give me a page number, if you would. I

7033 have got so many bills in front of me, I don't know where I
7034 am. I am just a simple country doctor.

7035 The {Chairman.} Well, first of all, you are in the
7036 Commerce Committee room in the Rayburn House Office Building.

7037 Mr. {Burgess.} Thank you for that. Can you give me the
7038 page number of the amendment in the nature of a substitute?

7039 {Counsel.} Section 783 of the Clean Air Act is on page
7040 566.

7041 Mr. {Burgess.} Okay. I am with you. So the Climate
7042 Change Consumer Refund Account is what you are referencing?

7043 Mr. {Markey.} If the gentleman would yield, is it on
7044 page 553? Is that what we are? Is 553 the page that has
7045 the--

7046 {Counsel.} Page 553 has section 782, which does say on
7047 line 3 and 4 that it shall be allocated for the benefit of
7048 electricity consumers.

7049 Mr. {Burgess.} And how does the money actually get to
7050 the consumer?

7051 {Counsel.} That is in section 783. And then on page
7052 574, paragraph 4, use of allowances, heading over to page
7053 575, it says that emission allowances shall be used
7054 exclusively for the benefit of retail ratepayers of such
7055 electricity local distribution company.

7056 Mr. {Burgess.} Again, how does the money actually get

7057 to the consumer? Through the distribution company?

7058 {Counsel.} Yes, that is up to the distribution company
7059 to--

7060 Mr. {Burgess.} To the distribution company. Are they
7061 compelled to give it?

7062 Mr. {Markey.} If counsel would yield, it is up to the
7063 local public utility commission to ultimately make that
7064 determination.

7065 Mr. {Burgess.} Can the public utility commission be
7066 actually forced to turn that money over to the consumer?

7067 {Counsel.} In paragraphs A, B and C, it directs the
7068 local distribution companies in terms of how they are to use
7069 the allowances. It requires that they be used for the
7070 benefit of retail ratepayers. Paragraph B says that they
7071 have to ensure that the benefits are distributed among
7072 ratepayer classes based on electricity deliveries to each
7073 class and then in little clause 2, equitably based on
7074 individual ratepayers within each ratepayer class, and then C
7075 provides some further limitations and direction on how the
7076 allowances are to be used and how the benefit is to go to the
7077 consumers. And then paragraph D requires the administrator
7078 to prescribe specific guidelines.

7079 Mr. {Burgess.} Can you tell me what the direct effect
7080 on a ratepayer in the State of Texas would be since Texas is

7081 a non-regulated State?

7082 {Counsel.} No, I can't tell you what the direct effect
7083 on ratepayers in Texas would be. It would up to the LDCs in
7084 Texas that are regulated by the State.

7085 The {Chairman.} The gentleman's time is expired. We
7086 will now go to Ms. Blackburn.

7087 Mr. {Burgess.} Mr. Chairman, this is an important
7088 point. Can I ask for an additional 2 minutes here?

7089 The {Chairman.} Objection is heard, but you can ask
7090 questions other than doing it in a public setting if you want
7091 information. We will be glad to have our staff answer
7092 questions for you if that would be helpful. Ms. Blackburn,
7093 you are recognized for 5 minutes.

7094 Mr. {Barton.} Parliamentary inquiry, Mr. Chairman.

7095 The {Chairman.} The gentleman will state his
7096 parliamentary inquiry.

7097 Mr. {Barton.} We have a pending amendment, which I
7098 believe is the Blunt amendment, and every member of the
7099 committee that wishes under the rules of the committee is
7100 allowed 5 minutes to comment pro or con on that amendment.
7101 We also have a standing practice that members can strike the
7102 requisite number of words to ask questions of counsel. As I
7103 understand it, and I may be wrong because I wasn't in the
7104 room, Dr. Burgess was asking questions of counsel. Is that

7105 not correct? So technically that shouldn't count against his
7106 5 minutes of commenting on the pending amendment.

7107 The {Chairman.} As I understand it, we have been
7108 talking about this amendment, and I have not been in the room
7109 the full time, but over an hour and 15, 20 minutes. Not
7110 everybody has to say everything about every matter because we
7111 need to move on.

7112 Mr. {Barton.} Well, but this is an important thing.

7113 The {Chairman.} It is important indeed.

7114 Mr. {Barton.} This is the guts of the bill.

7115 The {Chairman.} So you think that Mr. Burgess ought to
7116 have additional time?

7117 Mr. {Barton.} I think every member of the committee on
7118 both sides of the aisle should have sufficient time to ask
7119 questions of counsel about the bill, and I also think every
7120 member should be given, if they wish it, 5 minutes to comment
7121 on any amendment that is before the committee.

7122 The {Chairman.} Well, we are not going to do 10 minutes
7123 per person.

7124 Mr. {Barton.} Well, but you have two different issues,
7125 Mr. Chairman.

7126 The {Chairman.} Members have 5 minutes to use as they
7127 see fit. I think we ought to give Mr. Burgess another couple
7128 of minutes and then we will recognize the other two members

7129 on your side of the aisle that seek time and then I would
7130 like to put the question to the members to limit the debate
7131 and move on.

7132 Mr. {Burgess.} I thank the chair for the consideration.
7133 I will just point out, had we had a chance to do this in
7134 subcommittee, maybe some of these things could have been
7135 resolved.

7136 Section C where it says limitation, an electricity local
7137 distribution company shall not use the value of emission
7138 allowances distributed under this subsection to provide to
7139 any ratepayer a rebate that is based solely on the quantity
7140 of electricity delivered. Now, Mr. Rogers asked a very valid
7141 question about who is looking out for the ratepayer in this,
7142 who is looking out for the end user, and it looks as if this
7143 language in this bill explicitly denies the ability to look
7144 out for the end user. The other question that is unresolved
7145 at this point is what happens as these amounts are ratcheted
7146 down. Forty years from now it is less than a third of the
7147 amount of carbon that can be emitted that is allowed in 2012.
7148 This is an important point. It is going to affect ratepayers
7149 and end users for certainly the rest of my natural lifetime
7150 and well into the next several generations if something isn't
7151 done about this, and right now is the time to fix it and get
7152 it right. The Blunt amendment would do that and allow the

7153 ratepayer to be spared the burden that we are going to be
7154 putting on them in years to come, and I thank the chairman
7155 for the consideration. I will yield back.

7156 The {Chairman.} Thank you very much, Mr. Burgess. Ms.
7157 Blackburn.

7158 Ms. {Blackburn.} Thank you, Mr. Chairman. And I do
7159 think this is an important discussion that we are having. We
7160 did not have time in subcommittee to go through this bill nor
7161 did we get the bill in time to contact counsel and ask some
7162 of these questions, so Mr. Chairman, with all due respect, we
7163 are left to being able to ask questions that our constituents
7164 want to have answers to right here in committee, and I
7165 appreciate getting the time to ask some of those questions.
7166 And I am in support of Mr. Blunt's amendment. I think that
7167 it is an imperative and it is absolutely beyond me that I am
7168 hearing from some of you, we can't do anything that would
7169 stop the work we need to do on climate change. You are
7170 addressing climate change if it is the Holy Grail. What we
7171 are trying to help you with is the fact that constituents and
7172 taxpayers are saying someone needs to put some roadblocks and
7173 some timelines and some check and balances into this
7174 legislation because the way it is carrying out now is, there
7175 is not going to be anything to stop these rates going
7176 forward. Looking at the language that we have just looked at

7177 and that counsel is not able to clarify for us whether you
7178 are looking at section 783 or whether you are over on pages
7179 575 and 576, the American taxpayer is going to see you coming
7180 to their pocket time and time and time and time again in
7181 order to pay for this bill. This bill obviously is not about
7182 making energy more affordable and more abundant. It is about
7183 climate change and about the environment. This bill is not
7184 about having cleaner energy, more accessible and more
7185 affordable for our constituents. It is about making it
7186 harder to get and more expensive. I have got a chart that
7187 the Rural Electric Cooperative Association did. If you have
7188 not looked at this thing, you need to take a look at it. It
7189 shows you what is going to happen to rates of rural electric
7190 power users in this country once this bill is passed.

7191 Now, Mr. Blunt's amendment says look, if it goes more
7192 than 10 percent, and with all due respect to some of my
7193 colleagues, I can tell you, people do look at what happens to
7194 their rates, and they know that when that rate goes up, they
7195 have got to flip that light switch off when they leave that
7196 room. So they do pay attention to this. But it shows you
7197 that in Tennessee the rates are expected to go up 17 percent.
7198 This is on this chart and this is with the auction and \$20-a-
7199 ton cost of CO2. These are their estimates. In Missouri, 23
7200 percent, North Dakota, 26 percent, Utah, 28 percent. So what

7201 is wrong with saying look, this is going to be the little
7202 roadblock in here. This is going to be the check and
7203 balance. If it goes more than 10 percent, maybe the steps
7204 that are being taken on behalf of climate change need to be
7205 addressed and we need to look at what is going to happen for
7206 the consumers. As we have just heard in the limitations,
7207 there is not--if I was understanding counsel correctly, and I
7208 will yield back to counsel for them to go back and review
7209 this again. As we started on page 575 and read these
7210 limitations to you, you cannot go back. There is not a
7211 protection for the individual ratepayer in this bill, and Mr.
7212 Chairman, I think that it is going to be necessary for us to
7213 make certain that we put protections in this so that we don't
7214 see electric rates do what the President said they were going
7215 to do, which is to necessarily skyrocket, and Mr. Burgess, I
7216 will yield to you the balance of my time for further
7217 conversation with legal counsel.

7218 Mr. {Burgess.} Well, let me just use the brief
7219 remaining time. May I ask a question of counsel on the
7220 limitations paragraph that I just read? Am I understanding
7221 that correctly, that no money will be used to protect the
7222 ratepayer?

7223 {Counsel.} No, that is not correct. The limitation on
7224 page 575 says that allowances distributed shall not be used

7225 to provide a rebate based solely on the quantity of
7226 electricity delivered to such ratepayer. It goes on on page
7227 576 to say--

7228 Mr. {Burgess.} Let me just ask you then, because it is
7229 a simple question. How will it be allocated? What is the
7230 formula that is going to be used? Where can my constituents
7231 go and find that information out?

7232 {Counsel.} It goes on on page 576 to say to the extent
7233 that the electricity local distribution company uses the
7234 value of allowances to provide rebates, it shall to the
7235 maximum extent practicable provide such rebates with regard
7236 to the fixed portion of ratepayers' bills or as a fixed
7237 credit or rebate on electricity bills.

7238 Mr. {Burgess.} So it is entirely up to the electricity
7239 distribution company to make that assignment and assign that
7240 value?

7241 {Counsel.} The electricity distribution companies are
7242 all required to use allowances for the benefit of ratepayers.
7243 The electricity distribution companies are regulated by state
7244 public utility commissions, which are there to protect
7245 consumers.

7246 Mr. {Burgess.} But it is--

7247 The {Chairman.} The time--

7248 Mr. {Burgess.} Like Texas, without a public utility

7249 commission, how are my constituents going to be protected, or
7250 how would they see that refund come to them?

7251 {Counsel.} The LDC, in conjunction with the public
7252 utility commission, will be required to see that the benefit
7253 goes back to the ratepayers.

7254 The {Chairman.} Time is expired. I will recognize--

7255 Mr. {Burgess.} This section is not--

7256 The {Chairman.} Mr. Burgess, you had five minutes. You
7257 had an additional two minutes. You had additional time, and
7258 it is Mr. Scalise's turn, and I am going to yield him full
7259 five minutes, and if he doesn't use it, he can yield it to
7260 you, but I think it is only fair that other members have a
7261 chance to, on your side of the aisle as well. The gentleman
7262 is recognized for five minutes.

7263 Mr. {Scalise.} Thank you, Mr. Chairman. I think it is
7264 clear that the sections of this bill that deal with ratepayer
7265 assistance are very unclear, very questionable whether or not
7266 consumers will actually see any real, tangible benefit, in
7267 terms of offsetting the large increases they are going to get
7268 on their utility bills. And I rise in strong support of Mr.
7269 Blunt's amendment, because I think this is the only real
7270 protection that we have got in place in this bill, so that
7271 consumers don't get literally forced to have to shut off
7272 their utilities. During the summer, in South Louisiana, it

7273 gets pretty hot, and if you tell some senior citizen on a
7274 fixed income that once we get past, you know, 2:00 in the
7275 afternoon, they are going to have to shut off their air
7276 conditioning, because they just can't afford to keep running
7277 the air conditioning any more. I tell you what, you don't
7278 want to have to get the security forces out here you are
7279 going to have to take to get all of those senior citizens and
7280 people in walkers coming up here telling you what they think
7281 about that kind of provision, if you don't give them
7282 protection. And so, if you look at the language in this
7283 amendment, if all of my friends on the other side are
7284 correct, this won't be a problem, because we will never get
7285 to a 10 percent increase, because they are saying everybody
7286 is going to be okay. But I think what they are not telling
7287 you is, everybody is not going to be okay. And you don't
7288 have to take my word or their word for it, just take the
7289 President's word. President Obama said under his plan, under
7290 my plan, this is a quote from President Obama. ``Under my
7291 plan of a cap and trade system, electricity rates would
7292 necessarily skyrocket.'' Skyrocket. And then, you take his
7293 budget director. Mr. Orszag said that according to his
7294 testimony, American families, on average, would pay about
7295 \$1,300 more in utility costs per year, \$1,300, and by the
7296 way, that is the low estimate. Many organizations that have

7297 done analysis of cap and trade come up with even higher
7298 numbers. But let us take the President's own budget
7299 director, the low number, \$1,300 a year more families will
7300 pay in higher utility rates under this bill. Just a few
7301 weeks ago, the new CBO Director, Douglas Elmendorf,
7302 testified--

7303 Mr. {Barton.} Mr. Chairman, the committee is not in
7304 order. The gentleman from Louisiana deserves the right to be
7305 heard.

7306 The {Chairman.} The gentleman is correct. The
7307 committee will please come to order. The gentleman may
7308 continue.

7309 Mr. {Scalise.} Thank you, Mr. Chairman. The new
7310 Congressional Budget Office Director testified just a few
7311 weeks ago, and I quote, ``A cap and trade program would lead
7312 to higher prices for energy and energy-intensive goods.''
7313 And so, with all of that, Mr. Chairman, all we have before us
7314 is an amendment that says if the rates skyrocket to the point
7315 where it is more than 10 percent over the numbers it was at
7316 before, that this terminates, that we say enough is enough,
7317 because families will be saying enough is enough.
7318 Unfortunately, they don't have the protections. They didn't
7319 have all of--

7320 Mr. {Burgess.} Is your mike still on? Will the

7321 gentleman yield? Will the gentleman yield? Back here.

7322 The {Chairman.} How about yielding to me? I don't know
7323 who is asking.

7324 Mr. {Burgess.} Will the gentleman yield?

7325 The {Chairman.} Mr. Scalise. Radanovich.

7326 Mr. {Barton.} You might want to yield to the chairman,
7327 because he might give you more time.

7328 Mr. {Burgess.} Could we suspend the clock until we at
7329 least get our colleague's mike working?

7330 The {Chairman.} Yes. Yes. Yes. Two minutes. We will
7331 let him have two minutes.

7332 Mr. {Barton.} I think you have blown it up.

7333 Mr. {Burgess.} It has been capped.

7334 The {Chairman.} There is a provision in the bill that
7335 if a mike goes out by a member, the whole bill is not in
7336 effect any longer. Yes, yes. Is there another microphone
7337 that someone would allow you to use? You are welcome to--

7338 Mr. {Barton.} You probably kicked it loose underneath.
7339 Sometimes--

7340 The {Chairman.} If I may. Mr. Scalise, I will set the
7341 clock. You have two minutes.

7342 Mr. {Scalise.} Yeah, you cut off the whole front row.

7343 Mr. {Barton.} The top row is working. Come up. You
7344 can use mine, if nobody else--

7345 Mr. {Scalise.} See, now I am finding out just how
7346 important seniority is around this place. Anyway, wherever I
7347 left off when the microphone cut out. I do think that the
7348 reason that we need this amendment is because this is the
7349 only real protection that regular American taxpayers, the
7350 ratepayers out there have. The senior citizen on a fixed
7351 income is not going to be able to understand why their rates
7352 go up 15 percent. If their utility rates necessarily
7353 skyrocket, they don't have the luxury of saying well, I will
7354 just pay another \$130 this month because my average utility
7355 rate is going to go up \$1,300 a year. They don't have that
7356 luxury. And so, then, they are going to be forced, like what
7357 we have dealt with with healthcare, the reason we need
7358 healthcare reform, there are a lot of reasons, but one reason
7359 is you have got senior citizens out there that literally have
7360 to make the choice between getting their prescription
7361 medication or running their air conditioner during the
7362 summer, or their heating bill, heat during the winter. And
7363 so, you are going to give them one more tough choice like
7364 that, where they can't afford these higher utility rates, and
7365 so, what they are going to have to do is sit down and make a
7366 decision. Do I actually run the air conditioning in the
7367 summer, when it is 110 degrees with humidity, or do I just
7368 turn it off, because of this cap and trade energy tax that

7369 somebody thought was a great idea, and I will just have to do
7370 without something else that I can't do without. We need to
7371 give them this protection. That is what this amendment is
7372 for, so I would urge support, and I yield the balance of my
7373 time to Mr. Radanovich.

7374 Mr. {Radanovich.} Thank you, Mr. Scalise. I do want
7375 to, it is really important to say that the rates, we are
7376 talking about the rates to payers. We are talking about
7377 their electric bill, their natural, their gas bill, but the--
7378 and the gentleman from Pennsylvania mentioned about who they
7379 would be protected, if that is the case, but this, it is way
7380 beyond that, because the increase of gas and natural gas is
7381 going to have a huge impact on the price of food, the price
7382 of clothing, the price of toys, the cost to construction of
7383 homes, the price for schoolbooks. None of this takes into
7384 account what we are talking about here. It is all over and
7385 above protecting the ratepayer from electricity, and their
7386 electric and their natural, their utility bills. And so, we
7387 are not even making a dent in what the impact is going to be
7388 on the households. I would think this is the least we could
7389 do, is to make sure that their rates don't go higher than
7390 what the Blunt amendment allows, but keep in mind that the
7391 impact to the consumer is going to go far beyond their
7392 utility bills. It is going to, increase in cost to them in

7393 every manner in which they live in that household, that the
7394 energy is delivered to. So, I appreciate that time and yield
7395 back.

7396 The {Chairman.} Time is expired.

7397 Mr. {Walden.} Mr. Chairman. Mr. Chairman, move to
7398 strike the last word.

7399 The {Chairman.} The gentleman has spoken on this issue,
7400 I believe, have you not?

7401 Mr. {Walden.} No, I have not.

7402 The {Chairman.} You have not spoken.

7403 Mr. {Walden.} Not on this one. I think I have on the
7404 others, but--

7405 The {Chairman.} Okay. Well, we are going to recognize
7406 a Democrat first, then, and then we will come to you, and I
7407 hope--

7408 Mr. {Walden.} That is fair.

7409 The {Chairman.} And I hope it will conclude the debate.

7410 Mr. {Barton.} Mr. Chairman, could I have a point of
7411 personal privilege for 30 seconds.

7412 The {Chairman.} Yes, the gentleman--

7413 Mr. {Barton.} The chairman has been very generous in
7414 offering to provide food for both sides, and I am very
7415 supportive of that. We found out that the food that we were
7416 provided are cucumber sandwiches. Now, I know we are

7417 politically correct, Mr. Chairman, but I am going to order
7418 Popeye's chicken for both sides, and if there are some
7419 undecided Democrats, I hope you keep that in mind.

7420 The {Chairman.} The gentleman is very, very generous,
7421 and we did provide sandwiches for both sides, but I know we
7422 have sandwiches other than cucumber sandwiches, although I
7423 know you like to be healthy on your side of the aisle. But
7424 we will make sure that you have the same thing we have, and
7425 members, I hope, will find something that will suit their
7426 appetites. I understand that Mr. Barton, not realizing we
7427 were going to provide food for both sides, has already
7428 purchased dinner for his side, so you do have choices over
7429 there.

7430 Mr. {Barton.} And I am going to purchase dinner
7431 tomorrow night for both sides.

7432 The {Chairman.} Well, we accept that.

7433 Mr. {Barton.} It will not be cucumber sandwiches.

7434 The {Chairman.} And we may, then, provide the breakfast
7435 for Wednesday morning, midnight snack. Members who wish to
7436 partake of food, get there before the staff, because there
7437 won't be anything left, if they get it first. Okay, the
7438 chair wishes to recognize himself, and I will do, in three
7439 minutes, yield myself three minutes. The bill that is before
7440 us provides for an allocation of permits to the utilities for

7441 the purpose of holding the ratepayers, protecting the
7442 ratepayers from increases in costs for their electric
7443 utilities. And we think we have protected the ratepayers in
7444 that way.

7445 But if we adopt this amendment that is before us, it
7446 provides that if the rates for utilities go up 10 percent in
7447 any year, the whole bill is no longer in effect. Now, can
7448 you imagine a businessperson in this country who is going to
7449 rely on the terms of this legislation for investments? They
7450 want to know what the rules are going to be, and the rules
7451 say to them, we want more investment in renewables. We want
7452 more investment in clean energy. We want people to go out
7453 and be entrepreneurs, and figure out ways to hold down the
7454 costs, overall, and still achieve the limits on the carbon
7455 emissions. We want to become more self-sufficient in energy.
7456 We want to transform our economy with more jobs. You can't
7457 do that, from year to year, where the law will either be in
7458 effect or not in effect.

7459 We already had a proposal that if China and India didn't
7460 adopt the same stringent requirements, poof, the law is no
7461 longer in effect. We have a similar amendment here. If
7462 electricity rates go up 10 percent, no longer in effect.
7463 That is not the way to make sound policy, in my view. We
7464 have disagreements, but it is not, in my view, not a way to

7465 make sound policy. You cannot set in motion a plan to make
7466 us more independent, to bring about greater jobs, to work on
7467 new ways to hold down costs, and produce the results we want,
7468 by having it in effect one year, and not in effect another
7469 year. So, I would urge, without even taking up the full
7470 three minutes I allotted to myself, that this amendment be
7471 rejected.

7472 And I now want to recognize the gentleman from Oregon,
7473 and I will recognize him for five minutes or three minutes?
7474 Which does he want?

7475 Mr. {Walden.} Well, I will make you a deal. You
7476 recognize me for five, and I will go for three.

7477 The {Chairman.} The gentleman is recognized for five
7478 minutes, to use as he sees fit, and--

7479 Mr. {Walden.} I think that is my right under the rules.
7480 Well, thank you, Mr. Chairman, and I think you make a very
7481 valid point. I actually was in small business for 21 years
7482 and 8 months, in the radio business, as you know. We paid
7483 fairly substantial electricity rates to run the transmitters.
7484 The way I read the limitation, maybe a little different than
7485 some of my colleagues. The limitation on page 575, sub C,
7486 Limitation, says ``an electricity local distribution company
7487 shall not use the value of emission allowances distributed
7488 under this subsection to provide to any ratepayer a rebate

7489 that is based solely on the quantity of electricity delivered
7490 to such ratepayer.''

7491 So, that is a disconnect from the amount of electricity
7492 you use, from the rebate. It is decoupling, correct? I
7493 would ask counsel. That is the common term, decoupling,
7494 correct?

7495 {Counsel.} That is not the definition of decoupling.
7496 What the bill says is that the value provided to the
7497 ratepayer shall not be based solely on the quantity of--

7498 Mr. {Walden.} Of the electricity.

7499 {Counsel.} --electricity delivered to the ratepayer.

7500 Mr. {Walden.} Right. So, you are disconnecting--well,
7501 I will make the case, and I won't ask you the question. How
7502 is that? The bottom line is you are disconnecting from the
7503 rebate from the amount of electricity consumed.

7504 {Counsel.} Correct. It cannot be, a rebate cannot be
7505 based solely on that.

7506 Mr. {Walden.} And so, then, what did, as it says, ``to
7507 the extent an electricity local distribution company used the
7508 value of emissions allowances distributed under this
7509 subsection to provide rebates, it shall to the maximum extent
7510 practicable provide such rebates with regard to the fixed
7511 portion of the ratepayer's bills, or as a fixed credit or
7512 rebate on electricity bills.''

7513 So, in other words, we are disconnecting from the amount
7514 of electricity you consume, when it comes to this rebate, and
7515 saying we are going to, to the maximum extent possible, just
7516 put a flat rebate back, regardless of the amount of
7517 electricity consumed. You cannot use, as the sole
7518 discretion, the amount of electricity consumed. That is
7519 correct.

7520 {Counsel.} To the extent the allowances are used for
7521 rebates, that is correct.

7522 Mr. {Walden.} That is correct. And so, in my opinion,
7523 you are now creating a much different cost basis out there.
7524 If you are a small business, and you are in a rate situation
7525 where the distribution company is going to issue rebates, it
7526 is going to come back on a flat rate, not based on the amount
7527 of electricity I use. They cannot use electricity as the
7528 sole determinant.

7529 {Counsel.} It cannot be the sole, amount of electricity
7530 cannot be the sole--

7531 Mr. {Walden.} And in fact, the language goes on to say
7532 that ``it shall, to the maximum extent practicable, provide
7533 such rebates with regard to the fixed portion of the
7534 ratepayer's bills.'' It says that.

7535 {Counsel.} Yes, correct.

7536 Mr. {Walden.} So, the statute here is encouraging that,

7537 saying to the maximum extent practicable, you are going to
7538 give a flat rebate back. And so, from my perspective, this
7539 is a small business job killer provision, that doesn't treat
7540 small business fairly, because it says you are just going to
7541 get a, we are going to spread this out evenly over everybody,
7542 regardless of how much electricity you use, and if you are in
7543 business, and you are producing widgets or radio waves, you
7544 are going to use more electricity than if you are sitting at
7545 home. And I believe this is going to drive up energy costs
7546 disproportionately on small businesses, and it will hurt
7547 rural communities and jobs. I yield back.

7548 The {Chairman.} If the counsel would--

7549 {Counsel.} Yes.

7550 The {Chairman.} --still have an opportunity to respond.

7551 {Counsel.} Yes. Under paragraph b, this is on page
7552 575, it is, the LDC is required to distribute the benefits
7553 among ratepayer classes ratably. So, a small business is
7554 unlikely to be in the same ratepayer class as a homeowner.

7555 Mr. {Walden.} Now, how--is that true across the board?

7556 {Counsel.} It will be. It will vary by--

7557 Mr. {Walden.} In every state?

7558 {Counsel.} --the way that the PUCs and the LDCs have
7559 set up, the way the PUCs have set up the rate structures.

7560 Mr. {Walden.} Because I just paid, I don't think I was

7561 treated any differently as a small business than I was in a
7562 home. I paid PacifiCorp a monthly bill based on my kilowatt-
7563 hour usage.

7564 {Counsel.} It would depend on the rate structure that
7565 the PUCs have set up in the various states.

7566 Mr. {Walden.} Right. And so, the statement you just
7567 made may vary state to state, then.

7568 {Counsel.} It is up to the individual state PUCs, the
7569 way they have set up to protect consumers within their
7570 states.

7571 Mr. {Walden.} All right. So, I don't know that we have
7572 a clear answer, then. It is going to--I would yield to the
7573 ranking member.

7574 Mr. {Barton.} I just want to ask, these allowances that
7575 the LDCs get, in and of themselves, they have no value. They
7576 have to sell them to get value, to give a rebate.

7577 {Counsel.} They could be, one way would--

7578 Mr. {Barton.} I mean, they have to be.

7579 {Counsel.} --be to sell them. They could also provide
7580 them to an electricity generator, as partial payment for
7581 electricity.

7582 Mr. {Barton.} But if you are going to give a rebate to
7583 the consumer, do you have to monetize that allowance, or you
7584 can't give a rebate. Isn't that correct?

7585 {Counsel.} I believe that is correct.

7586 Mr. {Barton.} So, they sell the allowances, and whoever
7587 they sell them to--

7588 {Counsel.} That is an option.

7589 Mr. {Barton.} --that is a cost increase. Whoever they
7590 sell them to has to pass that cost increase on in some way.
7591 Isn't that correct?

7592 {Counsel.} Yes, they would not--

7593 Mr. {Barton.} Unless they sell them to the Federal
7594 Government.

7595 {Counsel.} --necessarily pass it through to the
7596 consumer, but they would pass through a cost, if they buy the
7597 allowance. If they are able to do so.

7598 The {Chairman.} The gentleman's time has expired. We
7599 would like to now proceed to a vote on the Blunt amendment.
7600 All those in favor of the Blunt amendment, say aye. Opposed,
7601 no.

7602 Mr. {Barton.} Mr. Chairman, could we have a--

7603 The {Chairman.} The chair is in doubt. Let's go to a
7604 roll call vote.

7605 The {Clerk.} Mr. Waxman.

7606 The {Chairman.} No.

7607 The {Clerk.} Mr. Waxman, no. Mr. Dingell.

7608 [No response.]

7609 The {Clerk.} Mr. Markey.
7610 Mr. {Markey.} No.
7611 The {Clerk.} Mr. Markey, no. Mr. Boucher.
7612 Mr. {Boucher.} No.
7613 The {Clerk.} Mr. Boucher, no. Mr. Pallone.
7614 [No response.]
7615 The {Clerk.} Mr. Gordon.
7616 [No response.]
7617 The {Clerk.} Mr. Rush.
7618 [No response.]
7619 The {Clerk.} Ms. Eshoo.
7620 Ms. {Eshoo.} No.
7621 The {Clerk.} Ms. Eshoo, no. Mr. Stupak.
7622 Mr. {Stupak.} No.
7623 The {Clerk.} Mr. Stupak, no. Mr. Engel.
7624 Mr. {Engel.} No.
7625 The {Clerk.} Mr. Engel, no. Mr. Green.
7626 [No response.]
7627 The {Clerk.} Ms. DeGette.
7628 Ms. {DeGette.} No.
7629 The {Clerk.} Ms. DeGette, no. Mrs. Capps.
7630 Ms. {Capps.} No.
7631 The {Clerk.} Mrs. Capps, no. Mr. Doyle.
7632 Mr. {Doyle.} No.

7633 The {Clerk.} Mr. Doyle, no. Ms. Harman.
7634 Ms. {Harman.} No.
7635 The {Clerk.} Ms. Harman, no. Ms. Schakowsky.
7636 [No response.]
7637 The {Clerk.} Mr. Gonzalez.
7638 Mr. {Gonzalez.} No.
7639 The {Clerk.} Mr. Gonzalez, no. Mr. Inslee.
7640 Mr. {Inslee.} No.
7641 The {Clerk.} Mr. Inslee, no. Ms. Baldwin.
7642 Ms. {Baldwin.} No.
7643 The {Clerk.} Ms. Baldwin, no. Mr. Ross.
7644 [No response.]
7645 The {Clerk.} Mr. Weiner.
7646 Mr. {Weiner.} No.
7647 The {Clerk.} Mr. Weiner, no. Mr. Matheson.
7648 [No response.]
7649 The {Clerk.} Mr. Butterfield.
7650 Mr. {Butterfield.} No.
7651 The {Clerk.} Mr. Butterfield, no. Mr. Melancon.
7652 Mr. {Melancon.} No.
7653 The {Clerk.} Mr. Melancon, no. Mr. Barrow.
7654 Mr. {Barrow.} Votes no.
7655 The {Clerk.} Mr. Barrow, no. Mr. Hill.
7656 Mr. {Hill.} No.

7657 The {Clerk.} Mr. Hill, no. Ms. Matsui.
7658 Ms. {Matsui.} No.
7659 The {Clerk.} Ms. Matsui, no. Mrs. Christensen.
7660 Ms. {Christensen.} No.
7661 The {Clerk.} Mrs. Christensen, no. Ms. Castor.
7662 Ms. {Castor.} No.
7663 The {Clerk.} Ms. Castor, no. Mr. Sarbanes.
7664 Mr. {Sarbanes.} No.
7665 The {Clerk.} Mr. Sarbanes, no. Mr. Murphy of
7666 Connecticut.
7667 Mr. {Murphy of Connecticut.} No.
7668 The {Clerk.} Mr. Murphy of Connecticut, no. Mr. Space.
7669 Mr. {Space.} Aye.
7670 The {Clerk.} Mr. Space, aye. Mr. McNerney.
7671 Mr. {McNerney.} No.
7672 The {Clerk.} Mr. McNerney, no. Mr. Sutton. I am
7673 sorry, Ms. Sutton.
7674 Ms. {Sutton.} No.
7675 The {Clerk.} Ms. Sutton, no. Mr. Braley.
7676 Mr. {Braley.} No.
7677 The {Clerk.} Mr. Braley, no. Mr. Welch.
7678 Mr. {Welch.} No.
7679 The {Clerk.} Mr. Welch, no. Mr. Barton.
7680 Mr. {Barton.} Aye.

7681 The {Clerk.} Mr. Barton, aye. Mr. Hall.
7682 Mr. {Hall.} Aye.
7683 The {Clerk.} Mr. Hall, aye. Mr. Upton.
7684 Mr. {Upton.} Aye.
7685 The {Clerk.} Mr. Upton, aye. Mr. Stearns.
7686 Mr. {Stearns.} Aye.
7687 The {Clerk.} Mr. Stearns, aye. Mr. Deal.
7688 Mr. {Deal.} Aye.
7689 The {Clerk.} Mr. Deal, aye. Mr. Whitfield.
7690 Mr. {Whitfield.} Aye.
7691 The {Clerk.} Mr. Whitfield, aye. Mr. Shimkus.
7692 Mr. {Shimkus.} Aye.
7693 The {Clerk.} Mr. Shimkus, aye. Mr. Shadegg.
7694 Mr. {Shadegg.} Aye.
7695 The {Clerk.} Mr. Shadegg, aye. Mr. Blunt.
7696 Mr. {Blunt.} Aye.
7697 The {Clerk.} Mr. Blunt votes aye. Mr. Buyer.
7698 Mr. {Buyer.} Aye.
7699 The {Clerk.} Mr. Buyer, aye. Mr. Radanovich.
7700 Mr. {Radanovich.} Aye.
7701 The {Clerk.} Mr. Radanovich, aye. Mr. Pitts.
7702 Mr. {Pitts.} Aye.
7703 The {Clerk.} Mr. Pitts, aye. Ms. Bono Mack.
7704 [No response.]

7705 The {Clerk.} Mr. Walden.
7706 Mr. {Walden.} Aye.
7707 The {Clerk.} Mr. Walden, aye. Mr. Terry.
7708 Mr. {Terry.} Aye.
7709 The {Clerk.} Mr. Terry, aye. Mr. Rogers.
7710 Mr. {Rogers.} Aye.
7711 The {Clerk.} Mr. Rogers votes aye. Mrs. Myrick.
7712 Ms. {Myrick.} Aye.
7713 The {Clerk.} Mrs. Myrick, aye. Mr. Sullivan.
7714 Mr. {Sullivan.} Aye.
7715 The {Clerk.} Mr. Sullivan, aye. Mr. Murphy of
7716 Pennsylvania.
7717 Mr. {Murphy of Pennsylvania.} Aye.
7718 The {Clerk.} Mr. Murphy, aye. Mr. Burgess.
7719 Mr. {Burgess.} Aye.
7720 The {Clerk.} Mr. Burgess votes aye. Ms. Blackburn.
7721 Ms. {Blackburn.} Aye.
7722 The {Clerk.} Ms. Blackburn, aye. Mr. Gingrey.
7723 Mr. {Gingrey.} Aye.
7724 The {Clerk.} Mr. Gingrey, aye. Mr. Scalise.
7725 Mr. {Scalise.} Aye.
7726 The {Clerk.} Mr. Scalise, aye. Ms. Schakowsky.
7727 Ms. {Schakowsky.} No.
7728 The {Clerk.} Ms. Schakowsky votes no. Mr. Green.

7729 Mr. {Green.} No.

7730 The {Clerk.} Mr. Green votes no. Mr. Matheson.

7731 Mr. {Matheson.} No.

7732 The {Clerk.} Mr. Matheson votes no. Mr. Rush.

7733 Mr. {Rush.} No.

7734 The {Clerk.} Mr. Rush votes no. Mr. Ross.

7735 Mr. {Ross.} No.

7736 The {Clerk.} Mr. Ross votes no.

7737 The {Chairman.} Have all members responded to the roll?

7738 Any member wish to change his or her vote. If not, the clerk

7739 will tally the vote. Yes. The clerk will announce the vote.

7740 The {Clerk.} Mr. Chairman, on that vote, the ayes were

7741 23, the nays were 32. 32.

7742 The {Chairman.} 23 ayes, 32 nos. The amendment is not

7743 agreed to. I want to next call on Ms. Baldwin, but I do want

7744 to make an announcement. We did provide food. We are going

7745 to continue to go through the markup. Members and staff may

7746 avail themselves of the food, and I do want to announce that

7747 we didn't just give the Republicans cucumbers. We gave them

7748 bologna and salami and some ham. That would be correct.

7749 Ms. Baldwin, you seek recognition for the purpose of

7750 offering an amendment. Is that correct?

7751 Ms. {Baldwin.} That is correct. I have an amendment at

7752 the desk to Title I.

7753 The {Chairman.} To Title I.

7754 Mr. {Walden.} Mr. Chairman, point of order.

7755 Ms. {Baldwin.} That would be Baldwin, 48.

7756 The {Chairman.} And has the amendment been submitted in
7757 a timely manner?

7758 Ms. {Baldwin.} Yes, it has, Mr. Chairman.

7759 The {Chairman.} Okay. The gentlelady is recognized
7760 for--

7761 Mr. {Walden.} I would like to reserve a point of order.

7762 The {Chairman.} The gentleman reserved a point of order
7763 on the amendment. The clerk will report the amendment.

7764 The {Clerk.} Amendment offered by Ms. Baldwin of
7765 Wisconsin.

7766 [The amendment follows:]

7767 ***** INSERT 8 *****

|
7768 The {Chairman.} Without objection, the amendment will
7769 be considered as read, and the gentlelady is recognized to
7770 speak to her amendment for five minutes.

7771 Ms. {Baldwin.} Thank you, Mr. Chairman. The Department
7772 of Energy currently administers two distinct technical
7773 assistance programs that serve complementary needs.
7774 Industrial Assessment Centers provide assessment services to
7775 small and medium sized manufacturing facilities, while the
7776 combined heat and power Clean Energy Application Centers
7777 provide assistance and education on the implementation of
7778 combined heat and power systems in building an industry.

7779 The amendment that I am offering consolidates these DOE-
7780 administered, university-based centers, so that they can--and
7781 also organizes them into a nationally consistent network, so
7782 they can better provide education and outreach to
7783 professionals as a way to encourage deployment of existing
7784 clean energy technologies.

7785 Further, this amendment creates a building center
7786 component for a fully integrated approach to better utilizing
7787 energy efficiency opportunities. Individually, the
7788 Industrial Assessment Centers and the Clean Energy
7789 Application Centers have proven to be very successful and
7790 efficient uses of federal funds, but by coordinating these

7791 programs, we can best leverage the strength that they already
7792 boast.

7793 These strengths include unique understandings of
7794 regional energy efficiency needs, strong relationships with
7795 local stakeholders, researchers, and thought leaders in the
7796 area of energy efficiency, and access to individual, region
7797 specific networks of other buildings, businesses, and
7798 entities that firms look to regularly for energy-related
7799 advice.

7800 As a complement to the Industrial Assessment Centers and
7801 the Clean Energy Application Center programs, this amendment
7802 provides for the establishment of Building Assessment
7803 Centers, to provide these same strengths, for example,
7804 training of engineers, architects, and building technicians
7805 in energy efficient design and operation for the building
7806 sector, promotion of high efficiency building construction
7807 techniques, and high efficiency materials options, and
7808 identifications of opportunities for optimizing energy
7809 efficiency and environment performance in existing buildings.

7810 The impact of these three Department of Energy programs
7811 will be enhanced through designation of no more than ten
7812 Centers For Energy And Environmental Knowledge And Outreach.
7813 Geographically dispersed nationwide, it will serve as a hub,
7814 a place for one stop shopping, where a variety of energy

7815 needs can be coordinated, met, and served by region-specific
7816 industrial, building, or Clean Energy Assessment Centers.

7817 In crafting this language, I worked extensively with the
7818 Department of Energy, and have the full support of the
7819 American Council for an Energy Efficient Economy, and I urge
7820 my colleagues to support this amendment and, Mr. Chairman,
7821 would yield back my remaining two minutes.

7822 The {Chairman.} Would you yield to me?

7823 Ms. {Baldwin.} I would be happy to yield to the
7824 chairman.

7825 The {Chairman.} If you have some time left, because the
7826 Department of Energy supports expertise in regional centers
7827 called Industrial Assessment Centers and Clean Energy
7828 Application Centers. They provide valuable services at very
7829 low cost to industry and others, in helping them adopt new
7830 efficiency approaches, clean energy technologies, best
7831 practices, reducing costs, and preserving jobs, and I want to
7832 comment you for this amendment. I think it is a good one,
7833 and I urge our colleagues to support it.

7834 Do you yield back the balance?

7835 Ms. {Baldwin.} I yield back the balance of my time.

7836 Mr. {Upton.} Mr. Chairman.

7837 The {Chairman.} The gentleman from Michigan is
7838 recognized.

7839 Mr. {Upton.} Strike the last word.

7840 The {Chairman.} The gentleman is recognized for five
7841 minutes.

7842 Mr. {Upton.} I am not so sure that our side is so
7843 excited about the amendment, because of the cost. I know
7844 that, as I have a number of universities in my district, I
7845 have one in particular, Western Michigan University, which
7846 has been a real leader on energy efficiency for some time,
7847 they have made the change of the light bulbs. They have come
7848 in with something that we have not done in this building,
7849 that I wish the Speaker would do, and that is to actually put
7850 a monitoring device in all of the rooms. They have, I think,
7851 at Western Michigan University, have some 50 some buildings,
7852 and in virtually all of the rooms, when somebody leaves, the
7853 lights go out. The temperature is adjusted, whether it is
7854 cooling or heating, based on whatever is more efficient.
7855 They have moved to electric vehicles. They have saved
7856 hundreds of thousands of dollars of taxpayer money, because
7857 it is a public university, in terms of energy conservation,
7858 and it has paid for, it will pay for the installation of what
7859 they have done.

7860 They didn't need to be told how to do it. They didn't
7861 need federal money, \$50 million a year, authorized
7862 indefinitely, as I understand, in this amendment. They did

7863 it. Other universities have come to Kalamazoo, Michigan.
7864 They have watched what they have done. They have identified
7865 those savings, and it is a laudable goal, but I don't know
7866 that we need the money to do this. We ought to be doing it
7867 under existing money, and they ought to be looking at
7868 different college associations and others, so that the
7869 taxpayers don't have to actually fund \$50 million a year.

7870 I don't know how the gentlelady found \$50 million a year
7871 for this, but we could maybe accept it if you didn't have
7872 that \$50 million. Why not just--

7873 Mr. {Barton.} Would the gentleman yield?

7874 Mr. {Upton.} I would yield to my, Mr. Barton.

7875 Mr. {Barton.} I would like to ask a question of
7876 counsel. I have gone through this, just quickly reading it.
7877 It looks like it authorizes \$85 million a year indefinitely.
7878 What is the cost of this? And I realize it is an
7879 authorization, not an appropriation, but it, several places,
7880 one place, it says \$50 million a year. Another place, it
7881 says \$10 million a year.

7882 Ms. {Baldwin.} Would the gentleman yield?

7883 Mr. {Barton.} Be happy to.

7884 Ms. {Baldwin.} In total, I think you probably missed
7885 one. It was \$90 million that is added.

7886 Mr. {Barton.} Well, thank you for being honest.

7887 Ms. {Baldwin.} And then, just so you know, the existing
7888 centers that this amendment also touches, the--

7889 Mr. {Barton.} They get \$30 million.

7890 Ms. {Baldwin.} CEACs are authorized right now, from
7891 2008 Fiscal Year to 2012, at \$10 million per year.

7892 Mr. {Barton.} You changed it to 30.

7893 Ms. {Baldwin.} The IACs, the Industrial Assessment
7894 Centers, which have an indexed appropriation, that we are,
7895 both of these were incorporated in the Energy Independence
7896 and Security Act, which is when we last sort of looked at the
7897 level of funding. But they are, you know, not specifically
7898 to your question, but these are things that pay for
7899 themselves, because of the efficiency that is deployed
7900 through these programs, and I would be very much surprised,
7901 Mr. Upton, if the universities in your district didn't seek
7902 counsel from their regional assessment center, which is in
7903 your area, at the University of Michigan, I believe the Ann
7904 Arbor campus.

7905 Mr. {Upton.} Yeah, I actually know that University of
7906 Michigan was so impressed with what Western Michigan
7907 University did, and again, Western Michigan University is in
7908 Kalamazoo, University, the big house, that is in Ann Arbor.
7909 University of Michigan was so impressed with what Western
7910 Michigan did, they actually sent a team to see what they did.

7911 They didn't, I don't know whether they actually needed one of
7912 these centers. They actually looked to see what Western did,
7913 and they did great things. They didn't, I don't think,
7914 actually utilize this center, in terms of the progress that
7915 they made.

7916 Mr. {Barton.} Well, if we accept, with what is
7917 authorized, because the change is the total authorization per
7918 year \$110 million?

7919 Ms. {Baldwin.} Can you repeat the question?

7920 Mr. {Barton.} I said, with what you are authorizing
7921 that is new, plus the change in the authorization of existing
7922 programs, is the total authorization of this amendment \$110
7923 million per year?

7924 Ms. {Baldwin.} No, 90 is my count.

7925 Mr. {Barton.} 90 per year.

7926 Ms. {Baldwin.} I defer to counsel, to make sure that my
7927 math is correct, but that is--it is \$50 for the new Building
7928 Assessment Centers, \$5 million per year for the federal
7929 share of some of the training internship opportunities to get
7930 more people with expertise in efficiency. It is an increase
7931 for the Clean Energy Application Centers, from an authorized
7932 level of \$10 million to an authorized level of \$30.

7933 Mr. {Barton.} So, that is plus \$20. No, I want to cut
7934 it by about a factor of ten. It is an authorization, not an

7935 appropriation.

7936 Ms. {Baldwin.} Would the gentleman yield?

7937 Mr. {Barton.} Well, it is not--I will speak--I will be
7938 happy to yield Mr. Upton's time.

7939 Mr. {Upton.} Be glad to yield to the gentleman.

7940 The {Chairman.} Without objection, Mr. Upton will have
7941 an additional minute, so that Mr. Barton can yield.

7942 Mr. {Barton.} I will be happy to yield to the
7943 gentlelady from Wisconsin.

7944 Ms. {Baldwin.} Just, you know that there was a
7945 discussion on previous amendments about how we come up with
7946 these numbers, but this was in consultation with the ACEEE
7947 and also, Department of Energy folks who were consulted in
7948 the crafting of this amendment, and that is, their belief is
7949 what it will take to get this greater coordination and
7950 greater impact of these programs.

7951 The {Chairman.} The gentleman yields back his time.
7952 Further discussion? Democratic side. Mr. Stearns on the
7953 Republican side.

7954 Mr. {Stearns.} Strike the last word. I think most of
7955 it is, I have not really read this, so I am just going to ask
7956 you a few questions.

7957 Of the money that goes, how much goes to the university
7958 itself, as opposed to funding interns and energy, Secretary

7959 of Energy, Department employees. In other words, of this
7960 money, how much is going to government administration, and
7961 how much is actually going to be given to the university?

7962 Ms. {Baldwin.} I believe that all of this passes
7963 through to these university-based new Building Assessment
7964 Centers, of that allocation. Of the \$5 million for the
7965 internships, that would be passed through, ultimately, to
7966 with matching dollars, by the way, to the people engaged in
7967 those internships.

7968 Mr. {Stearns.} You say there is ten regional centers.
7969 They all have to be set up with employees, right? Or are
7970 they existing?

7971 Ms. {Baldwin.} All of these things are called centers,
7972 so I want to make sure we are understanding. The new centers
7973 that are authorized in this amendment are not in existence
7974 now. They can, DOE can designate up to, or no more than ten
7975 Centers for Energy and Environmental Knowledge and Outreach.
7976 They would be dispersed geographically, nationwide, and are
7977 intended to coordinate the activities of the three centers
7978 within them, the Industrial Assessment Center, the Clean
7979 Energy Application Centers, and the new Building Assessment
7980 Centers.

7981 Mr. {Stearns.} Now, will the money be going to private
7982 institutions or state institutions? How, will the Secretary

7983 of Energy make that decision? Who makes the decision as to
7984 which universities get what? How would a university seek to
7985 get part of this roughly \$100 million?

7986 Ms. {Baldwin.} There is a number of criteria that are
7987 laid out in the bill. These new centers that are being
7988 created have to be based on the existence of either an
7989 Industrial Assessment Center or a Clean Energy Application
7990 Center already at that institution, or one of the new
7991 Building Assessment Centers at that institution. And then,
7992 they, again, have to be geographically distributed throughout
7993 the country, and there is a number of other criteria listed
7994 in the bill, but it is the Department of Energy that would
7995 make those assessments. They would be competitively bid.

7996 Mr. {Stearns.} So, a university would have to set up an
7997 industrial center before they could actually bid.

7998 Ms. {Baldwin.} The Industrial Assessment Centers
7999 already exist.

8000 Mr. {Stearns.} At all the universities?

8001 Ms. {Baldwin.} No, there are, for industrial, let me
8002 just tell you how many there are.

8003 Mr. {Stearns.} Well, I mean, just--

8004 Ms. {Baldwin.} Those are, I think, eight of them
8005 nationally. Oh, sorry, 26 of them, university-based.

8006 Mr. {Stearns.} Just generally. The criteria would be

8007 they would set up an industrial center at a university, both
8008 a private and a state university could get money, for
8009 example. A private university in Washington, D.C. could get
8010 some money, as well as a state university, and there is no
8011 difference in the criteria? Either one could get the same
8012 amount of money, depending upon their need? How would a
8013 university determine whether one university gets \$5 or \$10
8014 million, because it seems like \$100 million is a lot of
8015 money, but when you spread that across 50 states, with all
8016 their universities, private--that is, you know.

8017 The {Chairman.} Will the gentleman yield?

8018 Mr. {Stearns.} Sure.

8019 The {Chairman.} I don't think every university will get
8020 this. There are a certain number of universities that are
8021 already involved in this, and this would bring a new Building
8022 Assessment Center with the existing Industrial Assessment
8023 Centers, Clean Energy Application Centers, all under a group
8024 of ten new Regional Centers for Energy and Environmental
8025 Knowledge and Outreach, based at major universities, but not
8026 all of them will have it.

8027 Mr. {Stearns.} Okay. So, you are--

8028 The {Chairman.} This isn't pork, this is--for everybody
8029 to have one, it is for accomplishing some goals.

8030 Mr. {Stearns.} So, what you are saying is the

8031 university will not get money unless they establish this
8032 industrial center. That is a prerequisite.

8033 The {Chairman.} I believe that is correct.

8034 Mr. {Stearns.} And then, a university after that does
8035 that, on their own dime, then they could apply for the grant,
8036 and they would get it, and the Secretary of Energy would make
8037 the decision whether they get the money, and how much. What
8038 is this typical profile of a grant? In other words, let's
8039 say a state university applies. It has an industrial center.
8040 How much do you think, is there a limit to how much one would
8041 get, or is it spread over evenly?

8042 Ms. {Baldwin.} One of your, the premise of your
8043 question wasn't quite correct.

8044 Mr. {Stearns.} Okay.

8045 Ms. {Baldwin.} So, for example, Industrial Assessment
8046 Centers, the University of Florida has one, for example.
8047 Those have been authorized for many, many years. We adjusted
8048 the authorization level in the Energy Efficiency and Security
8049 Act. That program, in this Fiscal Year is, nationwide,
8050 authorized at \$190 million.

8051 Mr. {Stearns.} I am just going to finish up here.

8052 Ms. {Baldwin.} So, if it, say the University of Florida
8053 wanted, then, to become one of these new centers, they would
8054 apply. It would be a competitive, in a competitive nature,

8055 and the idea is there will be up to ten, geographically
8056 dispersed throughout the country.

8057 Mr. {Stearns.} I would just conclude by saying, you
8058 could make the argument, convince our side, if you could
8059 actually show, by spending this money, you would recapture
8060 and save money in every university in a period of five, six,
8061 seven years, it would pay for itself. Have you done a study
8062 on that? Is there any analysis of that?

8063 Ms. {Baldwin.} I know that the intent of the existing
8064 centers is to have cost-effective energy efficiency
8065 strategies deployed, and get, as well as training the next
8066 generation of engineers and architects, et cetera, who are
8067 going to be able to help us achieve these goals. But I do
8068 not have anything specific, in terms of the number of years
8069 that this could be paid for by the deployment of these
8070 technologies.

8071 The {Chairman.} The gentleman's time has expired. Who
8072 seeks recognition? Mr. Barton.

8073 Mr. {Barton.} I am going to ask some questions of the
8074 counsel. The Waxman substitute, the manager's amendment has
8075 a complete Title II called Energy Efficiency: Building
8076 Energy Efficiency Programs. Doesn't, isn't section 172 and
8077 173 of the Baldwin amendment rendered superfluous if we adopt
8078 Title II as it is? Doesn't Title II set up a federally

8079 mandated Energy Efficiency Building Code program?

8080 {Counsel.} The centers that the Baldwin amendment
8081 refers to are based at universities, but provide expertise
8082 that is offered through outreach to the entire community as
8083 to how, for example, in the Industrial Assessment Centers,
8084 industry can use best practices to achieve energy efficiency.
8085 In the new Building Centers, builders can adopt new materials
8086 and new practices to achieve energy efficiency.

8087 Building codes are a minimum legal standard to which a
8088 building must be met.

8089 Mr. {Barton.} But these are federal mandates. Doesn't
8090 that override what Ms. Baldwin is attempting to do?

8091 {Counsel.} No, it would not, because the building codes
8092 that would be part of the federal mandate would rely on the
8093 kind of expertise that these centers would develop, in terms
8094 of how to make buildings that are much more efficient.

8095 Mr. {Barton.} Okay. Well, thank you. I just, I want
8096 to have, make a few comments, and then, I would be happy to--

8097 The {Chairman.} You are still on your time.

8098 Mr. {Barton.} Yes, I think.

8099 The {Chairman.} Yes, you are.

8100 Mr. {Barton.} I am at a loss here, Mr. Chairman. We
8101 have a program, nothing wrong with what Ms. Baldwin is
8102 attempting to do here, except that it is going to cost

8103 approximately \$100 million a year if it is fully funded, and
8104 we just rejected the Blunt amendment, to try to put a price
8105 cap on residential electricity rates. Again, this is an
8106 authorization, it is not an appropriation, but \$95 million a
8107 year is real money, and once you set these centers up, they
8108 are going to develop their own constituencies. They are
8109 going to be very adept at lobbying the Congress for funding.
8110 I mean, I would think that you might want to, I am not sure
8111 we want to do either one, but I don't think you do mandated
8112 building codes, and then do this also. This is way, way too
8113 expensive, as it is currently structured. So, I would
8114 strongly oppose the amendment.

8115 I might also point out that she has actually given us
8116 two amendments, because she creates a new section 172 and a
8117 section 173, which normally, that would be two amendments
8118 instead of one, so I think there is a little bit of a
8119 problem.

8120 Mr. {Whitfield.} Will the gentleman yield?

8121 Mr. {Barton.} I would be happy to yield to Mr.
8122 Whitfield.

8123 Mr. {Whitfield.} Thank you for yielding. Obviously,
8124 this is a laudable goal, and I happen to serve on the Board
8125 of Governors of a university, and every university in the
8126 country right now, their endowments have gone down. They

8127 have lost a significant amount of money in their endowments.
8128 They are having to reduce programs, funding for programs.
8129 Some of them, they even had to dismiss some professors, like
8130 the University of Florida, for example. And all of them want
8131 additional money from the Federal Government for their
8132 existing programs.

8133 And the question I would have about this is the reality
8134 of the appropriators actually appropriating \$100 million for
8135 a new program to help assess environmentally friendly
8136 building codes or whatever, when the real job of a university
8137 is to educate students, and certainly, this would be one way
8138 to educate students. But it just seems to me while it is
8139 laudable, there is nothing wrong with this program, the
8140 reality is that the funding is just not going to be
8141 available. I yield back.

8142 Mr. {Barton.} I yield back, Mr. Chairman. I oppose the
8143 amendment.

8144 The {Chairman.} Further discussion of the amendment.
8145 Ms. Blackburn.

8146 Ms. {Blackburn.} Thank you, Mr. Chairman. Ms. Baldwin
8147 said she had a list of the universities that had existing
8148 centers. I would like to yield to her for the purpose of her
8149 reading that list of universities.

8150 Ms. {Baldwin.} I would be pleased to do that. The

8151 Industrial Assessment Centers are located at 26 universities:
8152 the University of Alabama, Bradley University, Colorado State
8153 University, University of Dayton, University of Delaware,
8154 University of Florida, Georgia Institute of Technology, the
8155 University of Illinois at Chicago, Iowa State University,
8156 Lehigh University, University of Louisiana at Lafayette,
8157 University of Massachusetts, University of Michigan,
8158 University of Missouri, University of Miami, Mississippi
8159 State University, North Carolina State University, Oklahoma
8160 State University, Oregon State University, San Diego State
8161 University, San Francisco State University, Syracuse
8162 University, Tennessee Technological University, Texas A&M
8163 University, University of Washington, and West Virginia
8164 University. Sadly, not University of Wisconsin, but anyway.
8165 With regard to the Clean Energy Application Centers, there
8166 are eight. Six of those are, from what I can tell, are
8167 university-based: University of Maryland, University of
8168 Illinois at Chicago, University of Massachusetts Amherst,
8169 Washington State University, University of California
8170 Berkeley, and Mississippi State University.

8171 Ms. {Blackburn.} I thank the gentlelady for
8172 clarification. I will add to what the ranking member was
8173 just discussing, when he said there was duplication in Title
8174 II in the provisions that talk about the building codes, and

8175 how those would be set. Well, I would add that another
8176 redundancy with this amendment is, in this, Mr. Dingell's
8177 amendment today, which is subtitle J, dealing with nuclear
8178 and advanced technologies, we placed a provision, there is a
8179 provision in there that is the Clean Energy Deployment
8180 Administration, under the direction of the Administrator of
8181 the Administration, and the Board of Directors.

8182 So, what we have is a third, already, look at what we
8183 are doing, you have got three entities that are going to be
8184 involved with delivering what appears at first glance to be
8185 the same type service, and have the same expectations, and
8186 you are going to have this money, hundreds of millions of
8187 dollars, that are going to go into something that we have
8188 already covered in Title II, and also, previously, in
8189 subtitle J earlier today, and with that, I yield back.

8190 The {Chairman.} The gentlelady yields back her time.
8191 Any, yes. Mr. Gingrey.

8192 Mr. {Gingrey.} Mr. Chairman, I move to strike the last
8193 word. In regard to this, again, I am looking at Title II, in
8194 regard to energy efficiency, and it says Department of Energy
8195 would provide funding to states to implement these
8196 requirements in regard to both commercial and residential
8197 buildings, to improve energy efficiency.

8198 And as I look at the gentlelady's amendments, I mean, it

8199 has already been mentioned, but another \$100 million a year,
8200 to me, it just seems like that money is no issue. Money is
8201 no issue. I mean, I am not really questioning the worthiness
8202 of the amendment, and Ms. Baldwin's thoughts behind this, but
8203 it seems to me that we are already doing it, and it is just
8204 duplicative, and why would we just nonchalantly amend this
8205 bill, so that we could spend another \$100 million a year.

8206 For that reason, I am opposed to it, and I yield back.

8207 The {Chairman.} The gentleman yields back his time.

8208 Are we ready for the vote? The vote now comes on the Baldwin
8209 amendment. All those in favor of the amendment will say aye.

8210 Aye. Opposed, no.

8211 Mr. {Upton.} No. Roll call, Mr. Chairman.

8212 The {Chairman.} The ayes appear to have it. The
8213 gentleman requests a roll call, and the clerk will call the
8214 roll.

8215 Mr. {Walden.} Chairman, I withdraw my point of order.

8216 The {Chairman.} And yes, thank you very much. The
8217 point of order has been withdrawn.

8218 The {Clerk.} Mr. Waxman.

8219 Mr. {Waxman.} Aye.

8220 The {Clerk.} Mr. Waxman, aye. Mr. Dingell.

8221 [No response.]

8222 The {Clerk.} Mr. Markey.

8223 [No response.]

8224 The {Clerk.} Mr. Boucher.

8225 [No response.]

8226 The {Clerk.} Mr. Pallone.

8227 [No response.]

8228 The {Clerk.} Mr. Gordon.

8229 [No response.]

8230 The {Clerk.} Mr. Rush.

8231 [No response.]

8232 The {Clerk.} Ms. Eshoo.

8233 [No response.]

8234 The {Clerk.} Mr. Stupak.

8235 [No response.]

8236 The {Clerk.} Mr. Engel.

8237 [No response.]

8238 The {Clerk.} Mr. Green.

8239 [No response.]

8240 The {Clerk.} Ms. DeGette.

8241 Ms. {DeGette.} Aye.

8242 The {Clerk.} Ms. DeGette, aye. Mrs. Capps.

8243 [No response.]

8244 The {Clerk.} Mr. Doyle.

8245 [No response.]

8246 The {Clerk.} Ms. Harman.

8247 [No response.]

8248 The {Clerk.} Ms. Schakowsky.

8249 Ms. {Schakowsky.} Aye.

8250 The {Clerk.} Ms. Schakowsky, aye. Mr. Gonzalez.

8251 Mr. {Gonzalez.} Aye.

8252 The {Clerk.} Mr. Gonzalez, aye. Mr. Inslee.

8253 Mr. {Inslee.} Aye.

8254 The {Clerk.} Mr. Inslee, aye. Ms. Baldwin.

8255 Ms. {Baldwin.} Aye.

8256 The {Clerk.} Ms. Baldwin, aye. Mr. Ross.

8257 [No response.]

8258 The {Clerk.} Mr. Weiner.

8259 Mr. {Weiner.} Aye.

8260 The {Clerk.} Mr. Weiner, aye. Mr. Matheson.

8261 [No response.]

8262 The {Clerk.} Mr. Butterfield.

8263 Mr. {Butterfield.} Aye.

8264 The {Clerk.} Mr. Butterfield, aye. Mr. Melancon.

8265 Mr. {Melancon.} Aye.

8266 The {Clerk.} Mr. Melancon, aye. Mr. Barrow.

8267 Mr. {Barrow.} Aye.

8268 The {Clerk.} Mr. Barrow, aye. Mr. Hill.

8269 Mr. {Hill.} Aye.

8270 The {Clerk.} Mr. Hill, aye. Ms. Matsui.

8271 Ms. {Matsui.} Aye.

8272 The {Clerk.} Ms. Matsui, aye. Mrs. Christensen.

8273 Ms. {Christensen.} Aye.

8274 The {Clerk.} Mrs. Christensen, aye. Ms. Castor.

8275 Ms. {Castor.} Aye.

8276 The {Clerk.} Ms. Castor, aye. Mr. Sarbanes.

8277 Mr. {Sarbanes.} Aye.

8278 The {Clerk.} Mr. Sarbanes, aye. Mr. Murphy of

8279 Connecticut.

8280 [No response.]

8281 The {Clerk.} Mr. Space.

8282 Mr. {Space.} Aye.

8283 The {Clerk.} Mr. Space, aye. Mr. McNerney.

8284 Mr. {McNerney.} Aye.

8285 The {Clerk.} Mr. McNerney, aye. Ms. Sutton.

8286 Ms. {Sutton.} Aye.

8287 The {Clerk.} Ms. Sutton, aye. Mr. Braley.

8288 Mr. {Braley.} Aye.

8289 The {Clerk.} Mr. Braley, aye. Mr. Welch.

8290 [No response.]

8291 The {Clerk.} Mr. Barton.

8292 Mr. {Barton.} No.

8293 The {Clerk.} Mr. Barton. Mr. Barton, no. Mr. Hall.

8294 Mr. {Hall.} No.

8295 The {Clerk.} Mr. Hall, no. Mr. Upton.
8296 Mr. {Upton.} No.
8297 The {Clerk.} Mr. Upton, no. Mr. Stearns.
8298 Mr. {Stearns.} Aye.
8299 The {Clerk.} Mr. Stearns, aye. Mr. Deal.
8300 Mr. {Deal.} No.
8301 The {Clerk.} Mr. Deal, no. Mr. Whitfield.
8302 Mr. {Whitfield.} No.
8303 The {Clerk.} Mr. Whitfield, no. Mr. Shimkus.
8304 Mr. {Shimkus.} No.
8305 The {Clerk.} Mr. Shimkus, no. Mr. Shadegg.
8306 Mr. {Shadegg.} No.
8307 The {Clerk.} Mr. Shadegg, no. Mr. Blunt.
8308 [No response.]
8309 The {Clerk.} Mr. Buyer.
8310 Mr. {Buyer.} No.
8311 The {Clerk.} Mr. Buyer, no. Mr. Radanovich.
8312 Mr. {Radanovich.} No.
8313 The {Clerk.} Mr. Radanovich, no. Mr. Pitts.
8314 Mr. {Pitts.} No.
8315 The {Clerk.} Mr. Pitts, no. Ms. Bono Mack.
8316 Ms. {Bono Mack.} No.
8317 The {Clerk.} Ms. Bono Mack, no. Mr. Walden.
8318 Mr. {Walden.} No.

8319 The {Clerk.} Mr. Walden, no. Mr. Terry.
8320 Mr. {Terry.} No.
8321 The {Clerk.} Mr. Terry, no. Mr. Rogers.
8322 [No response.]
8323 The {Clerk.} Mrs. Myrick.
8324 Ms. {Myrick.} No.
8325 The {Clerk.} Mrs. Myrick, no. Mr. Sullivan.
8326 [No response.]
8327 The {Clerk.} Mr. Murphy of Pennsylvania.
8328 Mr. {Murphy of Pennsylvania.} No.
8329 The {Clerk.} Mr. Murphy of Pennsylvania, no. Mr.
8330 Burgess.
8331 Mr. {Burgess.} No.
8332 The {Clerk.} Mr. Burgess, no. Ms. Blackburn.
8333 Ms. {Blackburn.} No.
8334 The {Clerk.} Ms. Blackburn, no. Mr. Gingrey.
8335 Mr. {Gingrey.} No.
8336 The {Clerk.} Mr. Gingrey, no. Mr. Scalise.
8337 Mr. {Scalise.} No.
8338 The {Clerk.} Mr. Scalise, no. Mr. Dingell.
8339 Mr. {Dingell.} Votes aye.
8340 The {Clerk.} Mr. Dingell votes aye. Mr. Markey.
8341 Mr. {Markey.} Aye.
8342 The {Clerk.} Mr. Markey, aye. Mr. Boucher.

8343 [No response.]

8344 The {Clerk.} Mr. Pallone.

8345 [No response.]

8346 The {Clerk.} Mrs. Capps.

8347 Ms. {Capps.} Aye.

8348 The {Clerk.} Mrs. Capps, aye. Mr. Stupak.

8349 Mr. {Stupak.} Yes.

8350 The {Clerk.} Mr. Stupak, aye. Mr. Matheson.

8351 Mr. {Matheson.} Aye.

8352 The {Clerk.} Mr. Matheson, aye. Mr. Doyle.

8353 Mr. {Doyle.} Yes.

8354 The {Clerk.} Mr. Doyle, aye. Mr. Welch.

8355 Mr. {Welch.} Aye.

8356 The {Clerk.} Mr. Welch, aye. Mr. Rush.

8357 Mr. {Rush.} Aye.

8358 The {Clerk.} Mr. Rush, aye. Mr. Green. I am sorry.

8359 Mr. {Green.} Aye.

8360 The {Clerk.} Mr. Green, aye. Mr. Ross.

8361 Mr. {Ross.} Aye.

8362 The {Clerk.} Mr. Ross votes aye.

8363 The {Chairman.} Have all members responded to the roll?

8364 Any member wishes to change his or her vote? If not, we will

8365 tally the vote.

8366 The {Clerk.} Mr. Chairman.

8367 The {Chairman.} Yes.

8368 The {Clerk.} On that vote, the yeas were 30 and the
8369 nays were 19.

8370 The {Chairman.} 30 ayes, 19 nos, the amendment is
8371 agreed to. Mr. Terry.

8372 Mr. {Terry.} I have an amendment.

8373 The {Chairman.} The gentleman seeks recognition for an
8374 amendment to this title?

8375 Mr. {Terry.} It is titled MBB2593.

8376 The {Chairman.} And will the clerk inform us whether
8377 the timeframe, the time limitation has been met?

8378 Mr. {Terry.} It is also gasoline price increases title.

8379 The {Chairman.} Ms. Davis.

8380 The {Clerk.} Yes, it was received in a timely manner.

8381 The {Chairman.} Were you--report the amendment.

8382 The {Clerk.} Amendment to H.R. 2454, offered by Mr.
8383 Terry.

8384 [The amendment follows:]

8385 ***** INSERT 9 *****

|
8386 The {Chairman.} Without objection, the amendment is
8387 considered as read, and the gentleman is recognized to speak
8388 on his amendment.

8389 Mr. {Terry.} Thank you, Mr. Chairman. At this time, I
8390 would like to have unanimous consent to add five words.
8391 After the comma in 2009 dollars, end paren, comma, to add
8392 ``as a result of implementation of this Act'' comma.

8393 The {Chairman.} Without objection, that will be the
8394 order.

8395 Mr. {Terry.} Thank you, Mr. Chairman.

8396 Obviously, with this Act, covering all areas that emit,
8397 or industries that emit CO₂, includes all fossil fuels, which
8398 also includes gasoline, which is part of everyday life. It
8399 is ubiquitous to our culture. We need it to go to work. We
8400 need it to take the kids to school. We need it to move goods
8401 and services. And the studies that I have seen show that
8402 there will be substantial increases in the cost of gasoline
8403 at all grades, and what I would like to do with amendment is
8404 to suspend the Act if the price per gallon hits \$5 per
8405 gallon.

8406 Now, at the current time, according to the Energy
8407 Information Administration, the current price per gallon
8408 national average is \$2.29. I can tell you in Omaha, when I

8409 filled up on Sunday afternoon at the BP Amoco on the corner,
8410 for the higher grade, it was \$2.35. So, the \$5 that I have
8411 put in here as the trigger is double what the price per
8412 gallon is, so it has to have 100 percent increase before it
8413 is triggered, and has to be the result of this Act.

8414 Now, I just want to quote from one Heritage study that
8415 came out this last week--actually, it came out Monday--that,
8416 as a result of the revision, the substitute that was
8417 released on Thursday, that showed that as a direct result of
8418 this Act, that gasoline prices per gallon would go up 74
8419 percent. So, I have kind of put it on the outside of that,
8420 purposely, but frankly, we all lived through last summer,
8421 when gas hit \$4 per gallon, and the effects that it had on
8422 our everyday life, families were making choices, cutting back
8423 on driving. I think the end result is that people started
8424 using, or began using their car less, to the tune of about 15
8425 percent. And it has stayed pretty static there.

8426 The Heritage says that because of the increased prices,
8427 we can see another 15 percent drop in usage, which I am sure
8428 is part of the end game, but it is also because of the higher
8429 prices. This is going to affect small businesses, but I am
8430 focusing here on the family budget. They don't want price of
8431 gas back at \$4 or \$5. So, this is to eliminate the risk. It
8432 is to hedge against the huge increases that some of us feel

8433 are coming, because of this Act.

8434 So, I would encourage all of my colleagues on both sides
8435 of the aisle to join me on this. It should be of little
8436 risk, but maybe of some peace of mind to our constituents
8437 that we are not going to allow the price of gas to go over \$5
8438 per gallon because of this Act.

8439 So, at the point, I will yield back the rest of my time.

8440 Mr. {Markey.} [Presiding] The gentleman's time has
8441 expired. Are there any members on the majority side seeking
8442 recognition to speak on this amendment? The gentleman from
8443 North Carolina, Mr. Butterfield.

8444 Mr. {Butterfield.} Thank you very much, Mr. Chairman.
8445 I have listened very carefully to the amendment, and I am in
8446 opposition to the amendment.

8447 There is no question that America is addicted to foreign
8448 oil. That goes without saying. That is a tremendous problem
8449 that we all face. The bill that we have before us will help
8450 solve that problem. It will move us away from our addiction
8451 to foreign oil. It will help us build a clean energy, low
8452 carbon future, and it will help America lead the world in
8453 creating the technologies for energy independence. But this
8454 amendment, as I understand it, proposes to press the eject
8455 button on our clean energy program, if someone thinks that
8456 this bill has a certain effect on gasoline prices. The

8457 amendment is really just an attempt to undermine this bill.

8458 And so, Mr. Chairman, let us look at the facts.

8459 According to expert studies by the EPA, the per gallon gas
8460 price changes that might result from putting a cap on
8461 emissions from fuel are very small, about \$0.02 a year over
8462 the life of the program. Last year, and we all remember
8463 this, we saw gas prices go up by \$2. And where did those
8464 dollars go, Mr. Chairman? To hostile regimes overseas that
8465 are trying to hurt our country. But for \$0.02, we can move
8466 to a clean energy economy. We can do something about the
8467 dependency on oil that chains us to the whims of OPEC oil
8468 ministers, and exposes us to the price escalating effects of
8469 the growing Chinese demand for oil.

8470 We need to be a lot more concerned about the \$2 a gallon
8471 increases that come from staying hooked on oil than \$0.02
8472 increases from moving off of it. Let's be clear, Mr.
8473 Chairman. An amendment like this would send a signal to
8474 American industry not to invest in developing ways to cut our
8475 use of imported oil and make our cars more efficient.

8476 And so, Mr. Chairman, I urge my colleagues to reject the
8477 amendment. I yield back.

8478 Mr. {Markey.} Would the gentleman yield? Would the
8479 gentleman yield?

8480 Mr. {Butterfield.} Yes, I will yield.

8481 Mr. {Markey.} I thank the gentleman very much.

8482 Mr. {Butterfield.} Yes.

8483 Mr. {Markey.} And I can't agree with the gentleman
8484 more. If the price of a gallon of gasoline is going over \$5
8485 a gallon, that is the very reason why we need this bill. We
8486 need to create a whole new way of domestically producing
8487 energy here in the United States. That is what this whole
8488 electric vehicle revolution is about. It is using renewable
8489 energy, so that people can plug in this next generation of
8490 vehicles at home.

8491 It is why we are putting so much money into carbon
8492 capture and sequestration, so that coal can play a role in
8493 generating low carbon electricity, so that people can plug in
8494 their car at home. We, right now, are in the eye of the
8495 storm. \$4 a gallon gasoline a year ago. Now, it helped to
8496 induce a recession, from which we are now recovering.

8497 The price of a gallon of gasoline went up \$0.07 last
8498 week. We don't have a lot of time to put in place a plan
8499 that avoids sending us back to where we were last spring at
8500 \$4 a gallon, much less \$5 a gallon. This is our opportunity
8501 to put in place a plan for the future. That is what this
8502 debate is all about. It is about green energy jobs, but it
8503 is about energy independence. We produce 8 million barrels
8504 of oil a day in the United States. We import 13 million

8505 barrels of oil a day.

8506 OPEC has us where they want us. OPEC can increase the
8507 price of oil any time they want on us, because they are the
8508 marginal supplier of oil to us and to the world. That is our
8509 weakness. Our strength is that we are the technological
8510 giant on the planet. Our strength is that we have a chance
8511 here to put together a revolution in renewable energy fuels,
8512 in electric vehicles, that will break our dependence upon oil
8513 and drive down dramatically the amount of oil that we import,
8514 and as a result, dramatically reduce the likelihood that we
8515 will see the dramatic spike that we saw in oil prices last
8516 year.

8517 That is really what this whole debate is about. We
8518 don't want to see the price of gasoline go over \$5, but if it
8519 does, that only reinforces more the need for this
8520 legislation, more the need for us to put in place a way that
8521 we use our technological genius, and it only reinforces more
8522 why it was so important, what happened on the White House
8523 lawn, where the President, with all of the auto company
8524 executives, announced that their goal now is not 35 miles per
8525 gallon by the year 2020, but now, 35 miles per gallon, on
8526 average, by 2016. That is the kind of action we need to
8527 take. We need to use our technology to reduce dramatically.

8528 The auto executives are on board. The auto executives

8529 are saying they want to move towards this electric vehicle
8530 future that we have included in this bill, but we have not
8531 seen the understanding of the depth of this problem yet. I
8532 think--

8533 Mr. {Terry.} Will the gentleman yield?

8534 Mr. {Markey.} The gentleman from North Carolina.

8535 Mr. {Butterfield.} Well, it is my time, and I believe
8536 it has expired, Mr. Chairman. I yield back. Thank you.

8537 Mr. {Terry.} Thank you, Mr. Butterfield. I appreciate
8538 that. All I was going to do was ask you to provide me the
8539 cite on that EPA statistic.

8540 Mr. {Butterfield.} I will get my staff to get it to
8541 your staff, sir.

8542 Mr. {Terry.} I appreciate that.

8543 Mr. {Butterfield.} Thank you.

8544 Mr. {Terry.} Thank you.

8545 Mr. {Markey.} Great. The gentleman's time has expired.

8546 The chair recognizes the gentleman from Texas, Mr. Barton.

8547 Mr. {Barton.} Thank you, Mr. Chairman. I am very
8548 supportive of the Terry amendment. My question would be how
8549 many U.S. industries do we want to bankrupt in one markup?

8550 The automobile industry is on its knees, and it, this
8551 announcement today that they have accelerated the CAFE
8552 standard mandate from 2020 to 2016 is not going to make the

8553 automotive industry more robust. We have already got one in
8554 bankruptcy, Chrysler. You are probably going to have General
8555 Motors in bankruptcy within the next month or so. Bless
8556 their heart, Ford Motor Company, which didn't take advantage
8557 of the loans, didn't ask for the loans, is apparently in
8558 strong enough shape that it doesn't yet need federal
8559 assistance, and I would emphasize yet.

8560 Now, we have an amendment by Mr. Terry for the refinery
8561 industry, Mr. Green and Mr. Gonzalez, and maybe others, I
8562 don't know, but I know those two have been working like
8563 Trojans to get some allowances for the refinery industry.
8564 And my understanding is that they got 2 percent for 2 years,
8565 beginning in 2014. Now, that may be erroneous, and they may
8566 have done better than that, but the Terry amendment simply
8567 says if gasoline prices go above \$5 a gallon, because of this
8568 Act, and keep in mind, they are right now, they are a little
8569 over \$2. They have been as high as, in some, in California,
8570 several years ago, they were up over \$4. The average in the
8571 country was a little below \$4, before they declined, but if
8572 they go back over \$5, we will suspend this Act.

8573 Now, we keep being told that nothing that the majority
8574 is doing is going to cause price rises anywhere. We are
8575 somehow going to defy the laws of economics and we are going
8576 to have a cap on CO2, manmade CO2, that starts, I think, in

8577 the first year, at a little over 4 billion metric tons, goes
8578 up for a couple of years, and then, over the next 30 years,
8579 declines down to about 1,000 million tons, or 1 billion
8580 metric tons. But somehow, no prices are going to rise
8581 anywhere.

8582 Now, we learned from counsel that these allowances that
8583 are given to the local distribution companies, somebody is
8584 going to buy them, but that is not going to cause a price
8585 rise anywhere. So all Mr. Terry is doing is saying, in
8586 something that for most Americans, is a basic necessity,
8587 gasoline that they use to go to work, to drive their families
8588 to school, that the commercial sector uses to provide
8589 gasoline and diesel for trucks, and all this stuff, that if
8590 you guys are wrong, and prices do go up, once gasoline
8591 reaches \$5 a gallon, we are going to suspend the Act.

8592 That is an insurance policy. That is a price cap. If
8593 we can put a cap on carbon, we darn sure ought to be able to
8594 put a cap on gasoline prices under this bill. It is beyond
8595 me that we can't accept this amendment, because if there is,
8596 there are very few people in the United States that don't use
8597 gasoline in their cars or trucks on a daily basis, and this,
8598 to me, is one of the more important consumer protection
8599 amendments.

8600 I strongly support it, and hope that we would adopt it.

8601 With that, Mr. Chairman, I would be happy to yield back.

8602 Mr. {Markey.} The gentleman yields back. The chair
8603 recognizes the gentleman from Texas, Mr. Green.

8604 Mr. {Green.} Thank you, Mr. Chairman. I want to thank
8605 my friend from Texas, referring to Congressman Gonzalez and I
8606 as working like Trojans. My worry about it, though, is this
8607 amendment might be that Trojan horse that will sack the city.

8608 I have to admit, I have sat in Congress for a number of
8609 years, and watched gas, last year, go up to well over \$4 a
8610 gallon around the country, maybe even \$5 a gallon, but I
8611 didn't see any amendment like this that all of a sudden said
8612 okay, let us start doing different things. This amendment
8613 only says that if we get up to \$5 a gallon, then, including
8614 taxes, then we are going to not worry about carbon
8615 sequestration.

8616 I guess we could say the same thing about benzene and
8617 other things that we have. That is what worries me. This
8618 amendment will put an artificial barrier on it. We know,
8619 frankly, those, that gas could go up to \$5 a barrel, based on
8620 the world market for crude, and that is where it was almost
8621 last time. I think California may have been close to \$5 a
8622 gallon last time. I know in Texas, we were at, you know, \$4,
8623 and I tell people, even though we have refineries all in my
8624 district, we don't get a discount, except for our state taxes

8625 are just a little bit less than maybe other states.

8626 But that is why this amendment is not a good amendment.

8627 It sets one issue up, and it is interesting for my colleague,

8628 price controls are something, when the Republicans had the

8629 majority for 12 years, didn't want to talk about, and now,

8630 because we are talking about carbon sequestration or

8631 environmental issues, we are going to talk about \$5 a gallon.

8632 And again, that is what I think that we may get \$5 a gallon

8633 even before this bill is effective, and what is going to

8634 happen to our constituents at the same time.

8635 What we need to do is not import 60 percent of our fuel,

8636 our crude oil, and produce it domestically, or have

8637 alternatives on how we get around the country. And

8638 hopefully, this bill will get us to that point.

8639 Mr. {Walden.} Will the gentleman yield on that point?

8640 Mr. {Green.} Be glad to.

8641 Mr. {Walden.} So, how does this, can you show me the

8642 provisions in here that allow us to develop America's great

8643 energy reserves?

8644 Mr. {Green.} Oh, I have been frustrated with that for

8645 many years, but you know, last Congress was the first time,

8646 in a Democratic Congress, we took off the control of outer

8647 continental shelf drilling. Okay.

8648 I have been there, but--

8649 Mr. {Walden.} No, the question was in this bill.

8650 Mr. {Green.} Let me reclaim my time, though.

8651 Mr. {Walden.} The question was in this bill, because--

8652 Mr. {Green.} I don't know any wells off the Oregon
8653 coast, but let me reclaim my time. We had that battle last
8654 year, and this Congress, a Democratic Congress and Senate,
8655 did away with the moratorium.

8656 Mr. {Walden.} And the President.

8657 Mr. {Green.} The Republicans had control for 12 years,
8658 and we never talked about it, never talked about it. Never
8659 got a bill out of, we did get a bill out of the House. Maybe
8660 we even got it out on ANWR, but the Senate wouldn't pass it.
8661 But that is why I don't think this amendment is--it is
8662 ingenious in drafting, but--and Congressman Gonzalez and I
8663 have been working to make this bill work for all of the
8664 country, and not just the Coast, and also, the Gulf Coast.
8665 But that is why I think that gas may get to \$5 a gallon next
8666 year, and it may not have anything to do at all with cap and
8667 trade.

8668 Maybe we ought to provide this, where we suspend
8669 everything if it gets to \$5 a gallon.

8670 Mr. {Terry.} Gene. Gene, will you yield for one
8671 second?

8672 Mr. {Green.} I will yield.

8673 Mr. {Terry.} I added some words that said as a result
8674 of the implementation of this Act, so it wouldn't be because
8675 of world pressures. It would be as a result of this Act.
8676 Yield you back your time.

8677 Mr. {Green.} Well, Lee, and that gets back to the
8678 point, if \$5 a gallon is so bad, why shouldn't we do that for
8679 everything, including--

8680 Mr. {Terry.} Well, if you would agree that--

8681 Mr. {Barton.} Make that amendment. We might accept it.

8682 Mr. {Terry.} Gene, I--

8683 Mr. {Barton.} Make that amendment.

8684 Mr. {Terry.} Unanimous consent for \$3, \$2.50.

8685 Mr. {Radanovich.} Mr. Green, would you yield, if I may.

8686 Mr. {Green.} Yield back.

8687 Mr. {Radanovich.} One of the arguments in the bill--

8688 Mr. {Barton.} We do drink wine in Texas.

8689 Mr. {Radanovich.} It will do that, but it would talk
8690 about global warming. One of the bragging points on this
8691 bill, it was going to reduce our reliance on foreign, so I
8692 don't see the price going up to \$5 because of whatever
8693 happens on imports.

8694 Mr. {Green.} Well, my argument is, is that 60 percent
8695 of our oil right now comes from imports, and so, it is a
8696 world market price on crude, and if \$5 is such a major issue,

8697 because of carbon, why don't we make \$5 for anything, and for
8698 any reason, it goes above. Because our folks couldn't afford
8699 \$4 last year, and but the market did come back down.

8700 Mr. {Radanovich.} The point I am making is that--

8701 Mr. {Green.} The rest of the economy also came down.

8702 Mr. {Radanovich.} The bill was supposed to eliminate
8703 our dependence on foreign oil, so I don't see it going up to
8704 \$5 for that, if that is indeed--

8705 Mr. {Green.} I am hoping it does, in maybe ten years
8706 from now or so, that we will see less foreign oil imported.
8707 Of course, at the same time, coming from where I do, I want
8708 to also see more domestic production.

8709 Mr. {Markey.} Thank you. The gentleman's time has
8710 expired. Are other members seeking recognition? The chair
8711 recognizes the gentleman from Illinois.

8712 Mr. {Shimkus.} Thank you, Mr. Chairman. This amendment
8713 kind of speaks to why Republicans and Democrats have really
8714 been talking in dual universes. And it talks about, and I
8715 really have great respect for Mr. Markey and his impassioned
8716 approach to this debate, but this whole markup, why we are
8717 having such a hard time, is the basic premise of climate
8718 change, and to fix it, you are going to charge for carbon,
8719 and we are saying that that additional cost for carbon is
8720 going to affect constituents. It is going to affect

8721 ratepayers. It is going to affect gasoline.

8722 Now, in the debate of energy security, which is what
8723 Republicans stand for, we want an all of the above energy
8724 portfolio. We wanted the outer continental shelf, and I am
8725 glad my friend, Gene Green, lauded the opening up the OCS,
8726 but that was a Republican victory, because of the Republican
8727 energy protest. It wasn't because the Democrat majority
8728 wanted to open up the OCS, and if anybody wants to debate
8729 that with me, I will be happy to debate that.

8730 That is what we did, because we had an approach that we
8731 wanted lower gas prices. We wanted our consumers to pay
8732 less. We wanted to have people not burdened by high energy
8733 prices. And who gets killed the most? There are 102
8734 counties in the State of Illinois. I represent parts of 30.
8735 It takes me three hours to drive from one part of my district
8736 to another. That is small town. That is rural. We have big
8737 trucks. You probably heard me say this all in the last
8738 Congress. He have big trucks. We have working trucks. We
8739 have to drive long distances to schools, to healthcare, to
8740 buy groceries.

8741 We are not from the rich parts of this country, and what
8742 this bill is going to do is hurt the poor, rural Americans
8743 who rely on low cost fuel to get from point A to point B.
8744 \$0.02 for a year? You have got to be kidding me. And if it

8745 is \$0.02 a gallon, then you shouldn't mind this amendment.
8746 But this is another safety insurance policy that says to our
8747 voters, to our constituents, that if your gas prices go up to
8748 \$5, because of carbon, we are going to amend this Act. I
8749 think that is a good bet, because, and if you believe what
8750 you say, this amendment does not hurt you. If you represent
8751 rural America, where they drive big trucks to work, you need
8752 to support this amendment. If you have people that drive
8753 long distances to school, to healthcare, to get groceries,
8754 travel three hours to get from one point of the district, but
8755 if you live in suburbia, and you have mass transit, and you
8756 are from the wealthiest districts of this country, then this
8757 isn't going to affect you.

8758 That is why this is an important amendment. I will
8759 support it. I yield back my time.

8760 Mr. {Markey.} The gentleman's time has expired. Are
8761 there other members on the majority side seeking recognition
8762 to speak on this amendment? The gentleman from California,
8763 Mr. McNerney.

8764 Mr. {McNerney.} Thank you, Mr. Chairman. I would like
8765 to congratulate the distinguished ranking member.

8766 He said that the auto industry is on its knees. And
8767 this is true. The auto industry on its knees, but a large
8768 part of the reason is that they insisted on building gas

8769 guzzling cars.

8770 Well, now, they have got religion, and they are going to
8771 build more fuel efficient vehicles, but the fact is that gas
8772 prices are volatile. They are going to spike. And if
8773 Americans burn less gasoline, the prices, on average, will be
8774 less. If we don't pass this bill, prices will be more
8775 volatile. Consumers are going to get hurt in a periodic
8776 fashion.

8777 Another point I would like to make is that if gas prices
8778 do go up to \$5 a gallon, it is going to be very difficult to
8779 distinguish the market forces from the forces of regulatory
8780 impact. So, I don't think this amendment makes sense. I
8781 think it is going to hurt consumers. It is going to keep gas
8782 prices volatile, and I urge my colleagues to vote against it.

8783 I yield back to the chairman.

8784 Mr. {Markey.} The gentleman's time has expired. Are
8785 there other members seeking recognition? The chair
8786 recognizes the gentleman from Oregon.

8787 Mr. {Walden.} Thank you very much, Mr. Chairman.

8788 Well, I am not aware of a study yet that shows passage
8789 of this bill will reduce the cost of energy, and if somebody
8790 has one of those, I would love to see it. And so, what it
8791 really amounts to is a national energy sales tax. And people
8792 are going to pay more, it is just a question of how much

8793 more, and whether there are any emergency exists off this
8794 high speed freeway that this bill is on, and I think that is
8795 what troubles me most. Like my colleague from Illinois. My
8796 district is 70,000 square miles. I wish it only took three
8797 hours to drive one direction across it. Now, I happen to,
8798 here and in Oregon, drive hybrids on both ends. You can't
8799 put a trailer hitch on a Ford Escape hybrid. They don't
8800 allow that. Okay? It is physically impossible, I guess. I
8801 tried. They rejected me at the dealerships. They can't put
8802 it on a hybrid.

8803 So, as you develop all these new cars, and we have seen
8804 some of them on display out here, the three wheeled electric
8805 one, and this and that, understand there is a whole bunch of
8806 America, rural America, that still needs workhorse trucks to
8807 haul work horses, and to haul cattle, and to haul the other
8808 commodities that feed people all over the globe. They are
8809 going to pay more. They are going to pay a lot more.

8810 There are some on the other side of the aisle that
8811 simply don't like people that drive big trucks, big diesel
8812 Dooley trucks. You hate them. I don't know that you hate
8813 them individually, but as a class, you want them all in
8814 small, fuel efficient something or others that may not
8815 actually do the job.

8816 And as a result, we are going to have people, they are

8817 going to lose their jobs. And I think that is what troubles
8818 me most about this. I hear a lot about the green jobs. The
8819 study out of the University of San Juan Carlos in Spain, from
8820 their experience, showed for every green job they created,
8821 they lost 2.2 other jobs. The National Association of
8822 Manufacturers says you are going to lose a couple million
8823 manufacturing jobs in America. And a lot of the green jobs
8824 are being created out there, and they are in my district, and
8825 I don't have anything against renewable energy. I am
8826 actually a pretty big advocate of it, but a lot of them are
8827 just installing the windmills, and then you leave. So a lot
8828 of the initial jobs are in installation, and then they are
8829 gone. What we lose permanently are the manufacturing jobs.

8830 Now, let's turn to energy, because the chairman of the
8831 subcommittee, Mr. Markey, made the point about how we need to
8832 use technology to develop all these new renewable biofuels,
8833 and we are going to have all this new renewable biofuels, and
8834 I have repeatedly, some of you may have noticed, talked about
8835 woody biomass. Woody biomass, I have got people in my
8836 district, scientists, engineers, all the kinds of people that
8837 we think America is all about, trying to turn woody biomass
8838 into renewable fuel. And they can do it.

8839 And when they do it, if that wood comes off the federal
8840 forests, you all in the Energy Bill in '07 said it doesn't

8841 count as renewable fuel. I tried to change that in my
8842 amendment, and you gleefully vote it down. The chairman of
8843 the subcommittee, who on one hand says we have got to have
8844 new energy, new renewable biofuels, get off petroleum, on the
8845 other hand, votes down the very amendment that would incent
8846 woody biomass to be converted into a liquid fuel source and
8847 count as renewable biofuels towards the Nation's Renewable
8848 Fuel Standard. Somebody explain to me how you can have it
8849 both ways. How can you have it both ways? You can't.

8850 But what you are going to end up with is an enormously
8851 expensive cost on Americans that are struggling. When it
8852 comes to the rebates on energy, we are just reading through
8853 this bill, it looks to me like you just socialized the rebate
8854 program, and then stick it to anybody that still uses energy,
8855 as if they are evil. And I don't happen to believe that is
8856 the case, because a lot of manufacturing uses a lot of
8857 energy.

8858 Well, you are not going to, your make work paid tax
8859 credits and things, are distributed evenly, even though, as
8860 my colleague from Tennessee has pointed out pretty clearly,
8861 and the data show, the energy costs aren't distributed
8862 evenly. Some regions of the country, actually mine, probably
8863 don't, aren't going to get hit as hard by higher energy as a
8864 result of this national energy sales tax bill, as other

8865 regions, like the Midwest. And even in the Northwest, it
8866 depends upon how much of your power comes from hydro. And
8867 yet, even hydro is discriminated against in this bill, and it
8868 is probably the most renewable carbon-friendly energy on the
8869 planet. But oh, try and install new hydro, if it affects the
8870 elevation of the water behind a dam at any location or time,
8871 it doesn't count. Can somebody explain to me how that
8872 suddenly makes the hydro non-renewable, and why you put that
8873 in your legislation? Anybody? You can't answer the
8874 question, because there is no logical answer to it. It is
8875 politics. The deals have been cut, and the bill is before
8876 us.

8877 You can change it, though. There is still an
8878 opportunity. We will have amendments to make it better.

8879 The {Chairman.} The gentleman's time has expired. The
8880 chair recognizes himself.

8881 And I do want to point out that we can have differences
8882 of opinion. We can think that there may be different
8883 consequences from policy decisions that we make, but I don't
8884 think it is fair to attribute to one side of the aisle or the
8885 other, hatred for any one class of people, or people who work
8886 for a living, and especially, I don't think it is fair to
8887 Democrats, who have always fought for working people.

8888 I must say, I just take exception to the idea that you

8889 would say that Democrats hate people who drive trucks. Now,
8890 this bill is attempting to make sure this country's national
8891 security is protected, so we are not dependent on having to
8892 bring in oil from countries that do not wish us well. We
8893 want new economic development in this country, and we think w
8894 will get it from the legislation that we are offering.

8895 You can disagree with that. You can disagree with it.
8896 I don't have any problem with that. And you can offer
8897 amendments, and in fact, this amendment is the same amendment
8898 that we have already voted on at least three times. If China
8899 doesn't have a bill equivalent to ours, the whole legislation
8900 is out the window. If electricity prices go up too much, the
8901 whole bill is out the window. Now, if gasoline prices go up
8902 too much, well, the whole bill is out the window. I think
8903 you are making a point, but I think you are making the point
8904 in a way that we ought to move on. The point has already
8905 been made.

8906 I just think that we ought to be very careful how we
8907 talk about each other's opinions, recognizing we do have
8908 strong differences. But it doesn't mean there are some in
8909 this committee, Democrat or Republican, that like one class
8910 or dislike another class. Every time anybody says we ought
8911 to do something for working people, I always hear people say
8912 oh, those Democrats are engaging in class warfare. It is not

8913 appropriate as part of the debate, and I would hope members
8914 would refrain from that.

8915 I yield back the balance of my time, and I will
8916 recognize the gentleman from Arizona, the higher seniority,
8917 is recognized for five minutes.

8918 Mr. {Shadegg.} Thank you, Mr. Chairman, and we have
8919 been debating whether or not this legislation will raise the
8920 cost of energy here in America, whether it is electrical
8921 energy or gasoline, as we are debating right now.

8922 Somehow, it seems to me that Mr. Murphy said it quite
8923 correctly earlier, and that is that it is pretty clear that
8924 what this bill is it imposes additional costs on energy, on
8925 the emission of carbon dioxide. Currently, the emission of
8926 carbon dioxide is free. This imposes additional costs. The
8927 notion that it is not going to raise the cost seems bizarre.

8928 It seems to me a little bit like an Alice in Wonderland
8929 world. The entire goal, I submit, to raising the cost of
8930 carbon dioxide emitted when energy is produced is to raise
8931 the cost of that energy, and to discourage the consumption of
8932 that energy, so we produce less carbon dioxide. I don't see
8933 how, in anything other than an Alice in Wonderland, you can
8934 have it both ways. It seems to me the President of the
8935 United States, a very eloquent gentleman, was very candid.
8936 He said bluntly during the campaign that the costs of energy

8937 were going to go up, and going to go up dramatically.
8938 Indeed, I thought that was the purpose of this legislation,
8939 and during one of the hearings that we had on this
8940 legislation, I believe we had a panel of somewhere in the
8941 neighborhood of 12 or 13 witnesses. I asked them a series of
8942 questions. One of the specific questions I asked was, do
8943 each of you agree that the passage of this legislation will
8944 cause the cost of energy to go up in price to the consumers.
8945 And the answer from each and every single one of them was
8946 yes, it will. Indeed, that was the design.

8947 Now, I understand that through negotiation, rebates have
8948 been negotiated, or adjustments have negotiated, and there is
8949 an attempt to offset or to cushion those increases, and to
8950 cushion them with regard to certain industries, which have
8951 overseas competition, or which produce excess carbon compared
8952 to other industries. Indeed, I spoke with Mr. Doyle. He
8953 said they carefully crafted it to protect 41 different
8954 carbon-sensitive import-sensitive industries.

8955 The point I want to make is there would be no point in
8956 negotiating those kinds of soft landings, or those kinds of
8957 offsets, if indeed, the cost of energy weren't going to go
8958 up. The second point I want to make is the point I made to
8959 him at the time, which is what happens to industry number 42.
8960 We negotiated rebates or soft landings or adjustments for 41

8961 industries, but what if we missed on industry number 42.
8962 There is a report from Heritage, dated yesterday, written by
8963 several of their scholars, William Beach, David Kreutzer,
8964 Karen Campbell, and Ben Lieberman, all of which analyzes this
8965 legislation, and talks about electricity rates rising by as
8966 much as 90 percent after adjusting for inflation. A rise in
8967 inflation-adjusted gasoline prices by 74 percent. A rise in
8968 residential natural gas prices by 55 percent. A rise in the
8969 average family's annual energy bill by 1,500 percent.

8970 It seems to me that it is pretty clear that the goal of
8971 the legislation is to increase energy prices, to discourage
8972 the use of energy which produces carbon dioxide, and to
8973 encourage use to move to other fuels. How can we sit here in
8974 the room, then, and say well, these things aren't going to go
8975 up. Gasoline prices won't go up, electricity won't go up. I
8976 don't understand how we can have it both ways, and I don't
8977 understand how we can say that we are going to make everybody
8978 whole with taxpayer funded rebates.

8979 And I agree with the gentleman, we should refrain from
8980 personal comments, and I happen to have a Ford pickup truck.
8981 It is not a Dooley, and I don't think the Democrats in my
8982 district dislike my Ford pickup truck, but I am deeply
8983 worried about the impact of this legislation on my pickup
8984 truck driving, and on all the other pickup truck drivers, and

8985 for that matter, on all of the other people in this Nation
8986 who have to pay for their energy prices. And quite frankly,
8987 I do think it is a valid point to say that when you raise
8988 energy prices, you do disproportionately affect those who can
8989 least afford it.

8990 At least in my district in Arizona, people drive until
8991 they can qualify. What that means is, that the lower income
8992 people in my Congressional district have to drive way out of
8993 town from their jobs to find a home that they can qualify
8994 for. They drive older cars. They drive less fuel-efficient
8995 cars. Maybe not after they get to rebate their car and turn
8996 it in, although I am not sure \$4,500 will let them all turn
8997 in their car, and they drive longer distances, and I think we
8998 are kidding ourselves if we do not think this will
8999 disproportionately affect those Americans.

9000 And with that, I yield back the balance of my time.

9001 The {Chairman.} The gentleman's time has expired. Mr.
9002 Rogers. You seek recognition?

9003 Mr. {Rogers.} Yes, thank you very much.

9004 The {Chairman.} The gentleman is recognized.

9005 Mr. {Rogers.} I was a little bit surprised, and it is
9006 maybe not in the sense that we are frustrated, Mr. Chairman,
9007 but we are frustrated. And it is some of the things I heard
9008 even said in the debate, and this argument in this debate

9009 tells me that we are just two completely different places on
9010 something that we think we could be common ground. We have
9011 got our own bills to reduce the dependency on foreign oil,
9012 brings clean options. But it has to have everything. It has
9013 nuclear and clean coal, wind, solar, biomass. And this bill
9014 picks winners and losers for that, and it picks winners and
9015 losers for families, and winners and losers for businesses.

9016 And when the subcommittee chairman said that the
9017 recession is, we are out of the recession, I think he
9018 actually said, used the word recovered. There is 539,000
9019 jobs lost last month, and that tells me that, maybe in
9020 Washington, D.C., we are doing fine, but I will tell you,
9021 back home, people are hurting, and they are hurting bad. And
9022 that if that isn't the continuation of a recession, I don't
9023 know what is, 539,000 job losses?

9024 And he made a valid point. He said you know if, when
9025 prices got up to \$4.50, it accelerated our recession, put
9026 people out of work, absolutely it did. So, all we are saying
9027 is hey, let us not go down that road again. We have been
9028 there. We have had families lose everything because of it.
9029 Let us put a little insurance chit for the person who gets up
9030 in the morning, and has to drive, on average, 40 miles to
9031 work, 40 miles. That is an American average. And when we do
9032 that, we are investing in their ability to have a home.

9033 This is a social contract, of which you are all
9034 violating, and that social contract was, listen, we know that
9035 if we provide an incentive in the Tax Code, you can go out,
9036 buy your own home and own your own home, and you get to pick
9037 the neighborhood. And if the schools aren't good, you ought
9038 to be able to try to move around and find, and have that
9039 ability, to have that little white fence, and that grass in
9040 your yard, and raise your kids to the standard of which you
9041 want. And if that means you have to drive a little bit
9042 further, you make that choice. You make that choice.

9043 But what you are saying is we don't want you to make
9044 that choice anymore. You don't get to pick your schools.
9045 You don't get to pick that house with the white picket fence.
9046 We know better than you, because we are pretty darn smart.
9047 We are Members of Congress. That is what you are saying, and
9048 the gentleman from California absolutely didn't take one
9049 second to understand the car industry, not one second.

9050 The only cars that the Big Three, and by the way, the
9051 foreign companies who were coming into the market here were
9052 making lots of money on, were pickup trucks and SUVs and
9053 minivans. And what was the big investment from our foreign
9054 producers who came into the markets, by building, say, a big
9055 truck plant in Texas? It was a truck plant, because they
9056 made money doing it.

9057 So, we ought to be just honest about what we are saying.
9058 We are saying is we are going to tell you, America, what kind
9059 of cars we want you to drive. I don't know if that makes us
9060 feel better or not, but matter of fact, you mandated to these
9061 car companies that they had, in order to meet the formula,
9062 they had to sell a certain number of small cars, even if they
9063 didn't make money doing it. How are we doing? Oh, that is
9064 right, one is in bankruptcy. One is on its way, and the
9065 other one is on its last leg, and oh, by the way, our foreign
9066 competitors aren't doing very well, either.

9067 This has huge impacts to somebody that has no control
9068 over what is happening in their lives right now. They have
9069 got to get up tomorrow morning, and they have got to fill up
9070 their car, and maybe it is a minivan, because they got three
9071 kids, and after work, mom is going to take somebody and drop
9072 them off, and pick up their neighbor's kids, and get them to
9073 soccer camp, or get them to the cheerleading school. And oh,
9074 by the way, she is going to get groceries and come home and
9075 cook dinner, all of which we have now made more expensive for
9076 her in her average daily life.

9077 The {Chairman.} Will the gentleman yield to me?

9078 Mr. {Rogers.} I would absolutely.

9079 The {Chairman.} What are you doing for those people
9080 that have to spend a lot of money on gasoline? You are going

9081 to make the bill go away, so that people who have jobs
9082 developing renewable fuels lose their jobs. The people that
9083 are working on making houses more efficient.

9084 Mr. {Barton.} But Mr. Chairman--

9085 The {Chairman.} They will lose their jobs.

9086 Mr. {Rogers.} I will reclaim--

9087 The {Chairman.} We all ought to be together on this,
9088 not trying to play one-up--

9089 Mr. {Rogers.} I understand, but I will reclaim--

9090 The {Chairman.} You don't even do anything.

9091 Mr. {Rogers.} I want to reclaim my time, Mr. Chairman.

9092 I understand your point.

9093 The {Chairman.} It is your time.

9094 Mr. {Rogers.} But the point is, we have provided a
9095 great opportunity to unleash American innovation, and we have
9096 already seen that, against Europe, we beat them with American
9097 innovation. This bill abandons American innovation, and we
9098 ought to say let's do it all. We deserve to honor that
9099 social contract for those families who have made those
9100 choices.

9101 The {Chairman.} How would we unleash--

9102 Mr. {Rogers.} And I am not talking, they are not living
9103 in big houses.

9104 Mr. {Barton.} Would the gentleman yield?

9105 The {Chairman.} Would the gentleman yield? How would
9106 you unleash--

9107 Mr. {Barton.} Would the gentleman yield?

9108 The {Chairman.} --the great ingenuity for American, as
9109 you just claimed?

9110 Mr. {Rogers.} An all of the above energy plan, Mr.
9111 Chairman. And we have got several that we would offer, and
9112 they would love--

9113 The {Chairman.} Oh, and we haven't even seen that.

9114 Mr. {Rogers.} -- to give you the opportunity.

9115 The {Chairman.} Please share it with us.

9116 Mr. {Barton.} It is in the Republican alternative.

9117 Mr. {Rogers.} We have it in the Republican alternative,
9118 Mr. Chairman. You will have a great opportunity to either
9119 pick American innovation and saving the folks who are
9120 struggling today, or this big government mandate that didn't
9121 work in the housing industry, and it didn't work in cars, but
9122 somehow, it is going to work on your electric bills.

9123 Mr. {Barton.} I would ask unanimous consent that the
9124 gentleman be given one additional minute.

9125 The {Chairman.} Without objection.

9126 Mr. {Barton.} Would the gentleman yield to me?

9127 Mr. {Rogers.} I would yield.

9128 Mr. {Barton.} I would like to ask a question of the

9129 distinguished chairman. Since you just, that is the third or
9130 fourth time that you have said that these Republican
9131 amendments that we are offering repeal the entire Act. Would
9132 the gentleman accept the Terry amendment, if we amended it to
9133 only suspend Title III of the Act, and let everything else
9134 stand? Title III is the cap and trade portion that is going
9135 to cause all the price increases.

9136 The {Chairman.} Well, that may or may not be true.
9137 Price increases in gasoline have gone up enormously over a
9138 year ago, and we didn't have cap and trade in place. What we
9139 had was a world market that went way up. What we have is a
9140 lower price now, because of a world economy that is going
9141 quite downward.

9142 So, why we should suddenly stop the limitation on carbon
9143 emissions, stop the limitation on carbon emissions if the
9144 gasoline prices go up? What we ought to do is try to make
9145 sure that we minimize the cost, while at the same time, we
9146 limit carbon emissions.

9147 Mr. {Barton.} Reclaiming the last one second. I assume
9148 the answer to that is no, then.

9149 The {Chairman.} That is correct. Your time is expired
9150 as well. Further discussion on this amendment.

9151 Mr. {Gingrey.} Mr. Chairman.

9152 The {Chairman.} Let me see who wishes to speak on the

9153 amendment, because I think we have got a pretty clear idea of
9154 it. Mr. Gingrey, I am calling on Mr. Upton first, because he
9155 is senior to you. So, the two of you, and then, I would like
9156 to then put the matter to a vote. Mr. Upton first.

9157 Mr. {Upton.} Well, thank you, Mr. Chairman. I may not
9158 use all my five minutes, so if someone on our side wants a
9159 little time, perhaps, that will happen.

9160 I guess it comes down to this. The frustration that I
9161 share with Mr. Rogers, and really, with Mr. Dingell and Mr.
9162 Stupak, too. Our state is really hard hit, and as I look at
9163 our region, the reliance on coal, the reliance on the auto
9164 industry, the jobs that we lost, particularly in Indiana,
9165 that we share that same thing, Ohio, Illinois. We are in
9166 real trouble, and with all the hearings that we had over the
9167 course of the first couple months of this year, we kept
9168 hearing that there is really no economic harm, little or no
9169 pain. This was going to be a good thing for the consumers,
9170 and it might be as little as, even less than a postage stamp,
9171 in terms of the additional costs.

9172 We will accept that, if it is true. But if it is not
9173 true, we want an insurance policy. We want an off ramp, is
9174 what it is called, and that is why Mr. Rogers offered the
9175 amendment that he did. China and India, if they don't
9176 comply, just like the EU. They want us to come up with the

9177 same scheme, so they don't lose jobs over here. So, we had
9178 that debate for a long time, and it failed. But tomorrow, we
9179 will come back to it again. Because one of the amendments
9180 that is going to be filed is if they don't comply within five
9181 years, it will be lifted, that we will get the off ramp.

9182 We had a long discussion on Mr. Blunt's amendment, 10
9183 percent increase in electric cost. We are told, in parts of
9184 our district, parts of our region, electric costs may go up
9185 by 40 or 50 percent almost overnight. That amendment failed,
9186 but tomorrow, we will have another amendment along the same
9187 lines. Maybe it will be 50 percent, and if that fails, maybe
9188 it will be 100 percent. We are going to find out where that
9189 bar is.

9190 I am going to have an amendment, maybe later tonight, if
9191 we have time, to cap it at 10 percent unemployment, based on
9192 this bill. I can tell you that in most of my counties, we
9193 wish we had 10 percent unemployment, because we are way over
9194 that, and so is Michigan, and that is where our fear is.

9195 Now, last year, we had a big debate on oil prices, and I
9196 supported Mr. Stupak's amendment on price gouging. We had a
9197 big bill back in '05. It was a bipartisan bill led by Mr.
9198 Barton, with Mr. Dingell's support. And when that bill got
9199 to the floor, we had dozens and dozens of amendments. And
9200 there was one amendment that was defeated, that would have

9201 provided incentives for more refineries in this country. One
9202 of our concerns, knowing that the price of oil is driven by
9203 supply and demand, is that we have both. That we can use the
9204 OCS, the outer continental shelf, that we can have additional
9205 conservation efforts, that we can look at new sources of oil,
9206 whether it be tar sands or oil shale, coal to liquid, a whole
9207 number of different things. And we also have the refinery
9208 capability.

9209 It wasn't always that we had to import refined oil. We
9210 do today. And one of our concerns is, because of some of
9211 these requirements that are in this bill, that we are going
9212 to send of these refineries away from our shores. They are
9213 not going to be in Mr. Green's district. They are going to
9214 be in some other country, and what happens then? If it
9215 increases costs, as a result of this bill, to more than \$5,
9216 we are going to make some changes.

9217 So, again, this bill, this amendment follows the same
9218 line as the other amendments. We are going to find out where
9219 that bar is, and if it is not \$5, is it going to be \$7, is it
9220 going to be \$8? At what point do we tell American consumers
9221 enough is enough? I yield back.

9222 The {Chairman.} The gentleman yields back his time.
9223 Mr. Gingrey.

9224 Mr. {Gingrey.} Mr. Chairman, thank you, and actually,

9225 my comments are very, very closely aligned with the gentleman
9226 from Michigan, and the point is at what point would you
9227 agree, would the majority agree, to sunset this plan, at
9228 least as the ranking member said, Title III of the plan?

9229 Is it, if it is not a 10 percent increase in electricity
9230 prices for the average American, is it 25 percent? If it is
9231 not China and India cutting down on their carbon footprint
9232 and pollution as much as we do, is it 50 percent of what we
9233 require of ourselves, or even 25 percent? At what point do
9234 we reach that sunset, and I agree fully with Representative
9235 Upton.

9236 Mr. {Weiner.} Would the gentleman yield? Would the
9237 gentleman yield for a question?

9238 Mr. {Gingrey.} I will. I will yield in just a few
9239 minutes, Mr. Weiner. Let me make my point.

9240 When I, when the Democrat majority occurred, and Ms.
9241 Pelosi became speaker in January of 2007, she was the first
9242 witness before the Science Committee, a witness of one. We
9243 were not really, we on the minority side, were not permitted
9244 to ask her any questions. And her signature issue, clearly,
9245 was this cap and trade and global warming issue.

9246 Several weeks later, former Vice President Gore
9247 presented before the Energy and Commerce and Science
9248 Committee, a joint hearing, as a witness of one. Shortly

9249 after receiving the Inconvenient Truth documentary Oscar
9250 award, and it was the same thing. And it was clear, and it
9251 is clear to me today, as I listen to comments from Mr. Markey
9252 a few minutes ago, when we talked about the price of
9253 gasoline, average price at the pump, getting up to \$5, and
9254 his remark was well, that is the whole point, you know. That
9255 is what, it was almost like he was saying that is what we
9256 wish for, because at any cost, we are going to a green
9257 technology, and we are not going to use any fossil fuel. And
9258 I think that is ridiculous.

9259 Ranking Member Barton made the comment that well, how
9260 much destruction are you going to accept in this economy?
9261 How many bankruptcies of how many industries before you throw
9262 up your hands and say this is not working. And there has to
9263 be a point at which we are willing to look at that. And I am
9264 not seeing that here. It is almost like we are going full
9265 speed ahead, no matter what the devastating effect on the
9266 economy might be. The hell with that. We have made up our
9267 mind. It is going to be a green economy and green jobs, I
9268 call them subprime jobs. And we are not going to, we are
9269 going to wean ourselves off fossil fuel no matter what. And
9270 oh, by the way, we are not going to allow any drilling off
9271 the outer continental shelf. We are not going to utilize
9272 shale, because it causes one scintilla increase in carbon

9273 dioxide footprint.

9274 This is crazy, and I think that this is the whole, Mr.
9275 Chairman, the whole viewpoint from this side of the aisle.
9276 There are some good ideas. We need an all of the above
9277 energy policy, but not green at any cost, to the total
9278 exclusion of any fossil fuel, and with that, I will yield to
9279 my friend from New York.

9280 Mr. {Weiner.} I thank the gentleman from Georgia. I
9281 think the problem is we have different ways of calculating
9282 the costs. Would the gentleman agree that the present amount
9283 of money that we, American citizens, are pumping into the
9284 pockets of Ahmedinejad in Iran, is unsustainable? Would you
9285 agree that our support of the Saudis, by our dependence on
9286 fossil, is unsustainable? At what point does that reach so
9287 high that you say I am going to vote yes on this bill?

9288 Mr. {Gingrey.} Reclaiming my time, Mr. Weiner. I do
9289 agree with that. I do agree with that, and we can solve that
9290 by the all of the above energy policy that we talked about
9291 for a full month, the month of August last year, while maybe
9292 a lot of people were on vacation.

9293 Mr. {Weiner.} Would the gentleman yield to a question?

9294 Mr. {Gingrey.} I would be glad to yield.

9295 Mr. {Weiner.} Do you personally, you yourself, have a
9296 copy of that amendment? The all of the above plan?

9297 Mr. {Gingrey.} The all of the above plan? I absolutely
9298 do.

9299 Mr. {Weiner.} Would you mind if--I won't share it with
9300 anybody. Would you mind if I see it? I would like to see
9301 that. I mean, let us bring it up here. Let us have a
9302 discussion of it, because right now, it seems like a fairly
9303 admirable--

9304 Mr. {Gingrey.} Reclaiming my time. I thank Mr. Weiner.
9305 You will have an opportunity. And I will yield to the
9306 ranking member.

9307 Mr. {Barton.} Well, let me, we need to be honest here.
9308 We are not under oath, but I think it pays to be honest. The
9309 Republican alternative that I introduced last week has the
9310 all of the above in it, but that particular, the production
9311 incentive package is not germane to this committee.

9312 And, so the Republican alternative that we will bring to
9313 the desk some time tomorrow or Thursday, depending on how the
9314 markup goes, will not have that in it, unless the chairman is
9315 willing to rule that it is germane to the markup. Because if
9316 we brought it up with non-germane amendments, the entire
9317 alternative could be ruled out of order. I am just being
9318 honest.

9319 We have got it. It has been introduced, but the
9320 Republican alternative that we are going to put at the table

9321 will not have that in it, because our production incentive
9322 stuff is not the jurisdiction of this committee.

9323 Mr. {Weiner.} Would the gentleman yield, or can I
9324 strike the last word?

9325 Mr. {Gingrey.} Well, I will reclaim, but my time has
9326 expired, and I yield back.

9327 Mr. {Barton.} But we will share it, I can share it with
9328 you.

9329 The {Chairman.} The gentleman will be given an
9330 additional minute, so you can conclude your dialog.

9331 Mr. {Weiner.} I guess the reason I raise it is we now
9332 have had repeated attempts at basically the same amendment,
9333 with some variations of what triggers the bill being stopped.
9334 And in several occasions, this alternative has been
9335 referenced. It might be instructive for us to begin that
9336 discussion. Let us see what the alternative is, and we will
9337 have a discussion of alternatives. At least that is moving
9338 what you seem eager to talk about onto the playing field, so
9339 we can consider it.

9340 Germaneness, non-germaneness, if it is what you are
9341 going to eventually offer, I think now might be a
9342 constructive way to move forward. We have basically seen the
9343 outcome. The votes are pretty clear on this thing. You have
9344 made the point, but you have referenced this all of the

9345 above. Let us bring it, let us take a look at it. Maybe it
9346 will win some Democratic votes, and we can start amending
9347 that as the base bill.

9348 The {Chairman.} The time is up. Now, we will proceed
9349 to a vote on the, whose amendment?

9350 Mr. {Barton.} Terry.

9351 The {Chairman.} Mr. Terry's amendment. All those in--
9352 well, I think we have completed the discussion, and I have
9353 asked members to respond, who wanted to speak on this. And
9354 if--I don't--I would certainly be happy to have you, have two
9355 more minutes, but I don't want that to be used as an excuse
9356 for another round here.

9357 Mr. {Stearns.} No, no. I understand.

9358 The {Chairman.} Well, without objection. Without
9359 objection, the gentleman will be recognized for two minutes,
9360 and we will then proceed to the vote on the pending
9361 amendment.

9362 Mr. {Stearns.} Mr. Chairman, thank you, and I
9363 appreciate your--

9364 The {Chairman.} That will be the order.

9365 Mr. {Stearns.} Mr. Chairman, do you remember when
9366 Secretary Chu came here to testify, and I asked him this
9367 question. I said to him, ``Mr. Secretary, last September,
9368 you made a statement that somehow, we have to figure out how

9369 to boost the price of gasoline to the levels in Europe?''
9370 Well, at that point, the levels in Europe were \$8 a gallon,
9371 so when I hear this debate, I am reminded that the Secretary
9372 of Energy agrees with you and your side that even if the cost
9373 of gasoline goes to \$8 a gallon, this will be good, because
9374 this will force Americans to cut back on gasoline, and I
9375 don't know how they are going to survive, because your bill
9376 does not have the diversification and the transition, so that
9377 these people can make it.

9378 Well, as it went further in this debate, the Secretary
9379 went on to talk about how economic climate would change, and
9380 it would be completely unwise to increase the price of
9381 gasoline, he admitted, but he liked to reduce the price of
9382 gasoline, but he says it could go up, and he mentioned
9383 alternative fuels, forms of fuels, biofuels, that can lead to
9384 separate source or independent source of transportation. So,
9385 I pressed him a little bit, and I said well, you don't
9386 really, honestly, in your heart of hearts, think that the
9387 American people will be satisfied with \$8 a gallon? And he
9388 said well, honestly, no, I don't think so. But I pressed him
9389 further, and I said well, don't you think it is really silly
9390 for you to even talk about that huge amount of expenditure
9391 here in America, to follow with Europe? And he said yes, I
9392 do.

9393 So, I think my point is, Mr. Chairman, the Secretary of
9394 Energy at one time thought \$8 a gallon, we are talking about
9395 \$5 a gallon, and I am saying from this perspective, if it is
9396 just your members, Mr. Chairman, it seems to be the
9397 Administration has the concept that it is okay to go to \$8 a
9398 gallon to force Americans to somehow sacrifice. So, with
9399 that in mind, I sort of substantiate some of the statements
9400 we are saying on this side, which we are repeating again and
9401 again, which is basically, you folks don't seem to care how
9402 expensive gasoline gets, because in the end, you think it is
9403 all going to be solved by solar cells and wind, and you don't
9404 even recognize there has to be even a bridge, a transition.

9405 So, I think in that respect, Mr. Chairman, I think the
9406 point is well made. Thank you.

9407 The {Chairman.} The gentleman's time has expired. We
9408 will now proceed to a roll call vote on the pending
9409 amendment.

9410 The {Clerk.} Mr. Waxman.

9411 The {Chairman.} No.

9412 The {Clerk.} Mr. Waxman, no. Mr. Dingell.

9413 [No response.]

9414 The {Clerk.} Mr. Markey.

9415 Mr. {Markey.} No.

9416 The {Clerk.} Mr. Markey, no. Mr. Boucher.

9417 Mr. {Boucher.} No.

9418 The {Clerk.} Mr. Boucher, no. Mr. Pallone.

9419 Mr. {Pallone.} No.

9420 The {Clerk.} Mr. Pallone votes no. Mr. Gordon.

9421 [No response.]

9422 The {Clerk.} Mr. Rush.

9423 [No response.]

9424 The {Clerk.} Ms. Eshoo.

9425 Ms. {Eshoo.} No.

9426 The {Clerk.} Ms. Eshoo, no. Mr. Stupak.

9427 Mr. {Stupak.} No.

9428 The {Clerk.} Mr. Stupak, no. Mr. Engel.

9429 [No response.]

9430 The {Clerk.} Mr. Green.

9431 [No response.]

9432 The {Clerk.} Ms. DeGette. Ms. DeGette.

9433 Ms. {DeGette.} No.

9434 The {Clerk.} Ms. DeGette votes no. Mrs. Capps.

9435 Ms. {Capps.} No.

9436 The {Clerk.} Mrs. Capps votes no. Mr. Doyle.

9437 [No response.]

9438 The {Clerk.} Ms. Harman.

9439 Ms. {Harman.} No.

9440 The {Clerk.} Ms. Harman votes no. Ms. Schakowsky.

- 9441 Ms. {Schakowsky.} No.
- 9442 The {Clerk.} Ms. Schakowsky, no. Mr. Gonzalez.
- 9443 Mr. {Gonzalez.} No.
- 9444 The {Clerk.} Mr. Gonzales, no. Mr. Inslee.
- 9445 Mr. {Inslee.} No.
- 9446 The {Clerk.} Mr. Inslee, no. Ms. Baldwin.
- 9447 Ms. {Baldwin.} No.
- 9448 The {Clerk.} Ms. Baldwin, no. Mr. Ross.
- 9449 [No response.]
- 9450 The {Clerk.} Mr. Weiner.
- 9451 Mr. {Weiner.} No.
- 9452 The {Clerk.} Mr. Weiner votes no. Mr. Matheson.
- 9453 Mr. {Matheson.} No.
- 9454 The {Clerk.} Mr. Matheson votes no. Mr. Butterfield.
- 9455 Mr. {Butterfield.} No.
- 9456 The {Clerk.} Mr. Butterfield, no. Mr. Melancon.
- 9457 Mr. {Melancon.} Yes.
- 9458 The {Clerk.} Mr. Melancon votes aye. Mr. Barrow.
- 9459 [No response.]
- 9460 The {Clerk.} Mr. Hill.
- 9461 Mr. {Hill.} No.
- 9462 The {Clerk.} Mr. Hill votes no. Ms. Matsui.
- 9463 Ms. {Matsui.} No.
- 9464 The {Clerk.} Ms. Matsui, no. Mrs. Christensen.

9465 Ms. {Christensen.} No.

9466 The {Clerk.} Mrs. Christensen, no. Ms. Castor.

9467 Ms. {Castor.} No.

9468 The {Clerk.} Ms. Castor, no. Mr. Sarbanes.

9469 Mr. {Sarbanes.} No.

9470 The {Clerk.} Mr. Sarbanes, no. Mr. Murphy of

9471 Connecticut.

9472 Mr. {Murphy of Connecticut.} No.

9473 The {Clerk.} Mr. Murphy, no. Mr. Space.

9474 [No response.]

9475 The {Clerk.} Mr. McNerney.

9476 Mr. {McNerney.} No.

9477 The {Clerk.} Mr. McNerney, no. Ms. Sutton.

9478 Ms. {Sutton.} No.

9479 The {Clerk.} Ms. Sutton, no. Mr. Braley.

9480 Mr. {Braley.} No.

9481 The {Clerk.} Mr. Braley, no. Mr. Welch.

9482 Mr. {Welch.} No.

9483 The {Clerk.} Mr. Welch, no. Mr. Barton.

9484 Mr. {Barton.} Aye.

9485 The {Clerk.} Mr. Barton, aye. Mr. Hall.

9486 [No response.]

9487 The {Clerk.} Mr. Upton.

9488 Mr. {Upton.} Aye.

9489 The {Clerk.} Mr. Upton, aye. Mr. Stearns.
9490 Mr. {Stearns.} Aye.
9491 The {Clerk.} Mr. Stearns, aye. Mr. Deal.
9492 Mr. {Deal.} Aye.
9493 The {Clerk.} Mr. Deal, aye. Mr. Whitfield.
9494 Mr. {Whitfield.} Aye.
9495 The {Clerk.} Mr. Whitfield, aye. Mr. Shimkus.
9496 Mr. {Shimkus.} Aye.
9497 The {Clerk.} Mr. Shimkus, aye. Mr. Shadegg.
9498 Mr. {Shadegg.} Aye.
9499 The {Clerk.} Mr. Shadegg, aye. Mr. Blunt.
9500 [No response.]
9501 The {Clerk.} Mr. Buyer.
9502 Mr. {Buyer.} Aye.
9503 The {Clerk.} Mr. Buyer, aye. Mr. Radanovich.
9504 [No response.]
9505 The {Clerk.} Mr. Pitts.
9506 Mr. {Pitts.} Aye.
9507 The {Clerk.} Mr. Pitts votes aye. Ms. Bono Mack.
9508 Ms. {Bono Mack.} Aye.
9509 The {Clerk.} Ms. Bono Mack, aye. Mr. Walden.
9510 Mr. {Walden.} Aye.
9511 The {Clerk.} Mr. Walden, aye. Mr. Terry.
9512 Mr. {Terry.} Aye.

9513 The {Clerk.} Mr. Terry, aye. Mr. Rogers.
9514 Mr. {Rogers.} Aye.
9515 The {Clerk.} Mr. Rogers, aye. Mrs. Myrick.
9516 Ms. {Myrick.} Aye.
9517 The {Clerk.} Mrs. Myrick, aye. Mr. Sullivan.
9518 [No response.]
9519 The {Clerk.} Mr. Murphy of Pennsylvania.
9520 Mr. {Murphy of Pennsylvania.} Aye.
9521 The {Clerk.} Mr. Murphy, aye. Mr. Burgess.
9522 Mr. {Burgess.} Aye.
9523 The {Clerk.} Mr. Burgess, aye. Ms. Blackburn.
9524 Ms. {Blackburn.} Aye.
9525 The {Clerk.} Ms. Blackburn, aye. Mr. Gingrey.
9526 Mr. {Gingrey.} Aye.
9527 The {Clerk.} Mr. Gingrey, aye. Mr. Scalise.
9528 Mr. {Scalise.} Aye.
9529 The {Clerk.} Mr. Scalise, aye. Mr. Hall.
9530 Mr. {Hall.} Aye.
9531 The {Clerk.} Mr. Hall votes aye. Mr. Dingell.
9532 Mr. {Dingell.} No.
9533 The {Clerk.} Mr. Dingell votes no. Mr. Gordon.
9534 Mr. {Gordon.} No.
9535 The {Clerk.} Mr. Gordon votes no. Mr. Green.
9536 Mr. {Green.} No.

9537 The {Clerk.} Mr. Green votes no. Mr. Doyle.
9538 Mr. {Doyle.} No.
9539 The {Clerk.} Mr. Doyle, no. Mr. Rush.
9540 Mr. {Rush.} No.
9541 The {Clerk.} Mr. Rush votes no. Mr. Barrow.
9542 Mr. {Barrow.} Aye.
9543 The {Clerk.} Mr. Barrow votes aye. Mr. Space.
9544 Mr. {Space.} Aye.
9545 The {Clerk.} Mr. Space votes aye. Mr. Ross.
9546 Mr. {Ross.} Aye.
9547 The {Clerk.} Mr. Ross votes aye. Okay.
9548 The {Chairman.} Any other members wish to be recorded?
9549 Any member wish to change his or her vote? Any Republican
9550 wish to change his or her vote? How about the Democratic
9551 side? If not, the clerk will tally the vote.
9552 The {Clerk.} On that vote, Mr. Chairman, the ayes were
9553 25 and the nays were 31.
9554 The {Chairman.} 25 ayes, 31 nos. The amendment is not
9555 agreed to. Now, to go to the Democratic side.
9556 Mr. {Barton.} Mr. Chairman.
9557 The {Chairman.} The gentlelady from the Virgin Islands.
9558 Mr. {Barton.} Can I have a parliamentary inquiry before
9559 we do that, and it will be brief.
9560 The {Chairman.} Yes.

9561 Mr. {Barton.} Mr. Weiner asked that we introduce the
9562 production incentive portion of the Republican alternative.
9563 I have asked my staff if that is easily separable, and it is.
9564 It is about 80 to 100 pages. If it were to be introduced
9565 tomorrow, clearly, it is not germane. Would the chairman be
9566 willing to allow it to be introduced and debated, with the
9567 understanding that it would be withdrawn after the debate?

9568 The {Chairman.} The chair would want to have further
9569 discussions with you about the process, because we have been
9570 here a very long day, and have not made a lot of progress.
9571 So, there is a possibility. I am not saying yes, and I am
9572 not saying no.

9573 Mr. {Barton.} Okay. Thank you, Mr. Chairman.

9574 The {Chairman.} The gentlelady from the Virgin Islands
9575 seeks recognition to offer an amendment, and as I understand
9576 it, this amendment is to this title, and it has been
9577 submitted in advance. Could you turn on your mike?

9578 Mr. {Scalise.} I would like to reserve a point of
9579 order, Mr. Chairman.

9580 The {Chairman.} Yes, the gentleman from Louisiana
9581 reserves a point of order. Ms. Christensen, do you wish to
9582 offer this amendment? The clerk will report the amendment.

9583 The {Clerk.} Amendment to H.R. 2454, offered by Mrs.
9584 Christensen of the Virgin Islands.

9585 [The amendment follows:]

9586 ***** INSERT 10 *****

|
9587 The {Chairman.} Without objection, the amendment will
9588 be considered as read, and the gentlelady is recognized to
9589 explain her amendment. I can't hear you. Is your mike out,
9590 too? Yeah, I would like to know.

9591 Ms. {Christensen.} Yeah.

9592 The {Chairman.} I hear something there.

9593 Ms. {Christensen.} I think we found one.

9594 The {Chairman.} Yeah, good.

9595 Ms. {Christensen.} Great. Well, I am offering this
9596 amendment, because of the heavy dependence of the territories
9597 on diesel, and our inability to have made any meaningful
9598 reduction in the emissions from it, because of our limited
9599 resources to do so.

9600 Reducing emissions from diesel engines is one of the
9601 most important air quality challenges, not only in the
9602 territories, but in the United States. Most, if not all, of
9603 the territories' heavy machinery and school and other buses
9604 are operated by diesel engines that don't fully meet EPA's
9605 Clean Diesel Standards. We could have done more to reduce
9606 these emissions, if we had access to the Diesel Emission
9607 Reduction grants and loans that were authorized in the Energy
9608 Policy Act of 2005.

9609 An extension of the Diesel Emission Reduction provisions

9610 to the offshore areas, as we are seeking to do with this
9611 amendment, will not only help advance current commitments to
9612 reduce air pollution, but will make great strides to protect
9613 our communities' health and that of future generations.

9614 Mr. Chairman, I want to thank Congressman Sablan, not of
9615 this committee, from the Commonwealth of the Northern
9616 Marianas, for his strong advocacy on this issue, and I ask my
9617 colleagues to support this amendment.

9618 The {Chairman.} The gentlelady yields back the balance
9619 of her time.

9620 Ms. {Christensen.} I yield back the balance of my time.

9621 Mr. {Barton.} Mr. Chairman.

9622 The {Chairman.} Mr. Barton.

9623 Mr. {Barton.} I rise in neutrality, right now, on the
9624 bill. On this amendment, excuse me. And I have a question
9625 for the gentlelady. The staff on the minority side has been
9626 looking for several hours. We can't find a section 7919 of
9627 the Energy Policy Act of 2005.

9628 Could the counsel or the author of the amendment define
9629 for us where section 7919 is, in what Act, because it does
9630 not appear to be in the Energy Policy Act of 2005.

9631 {Counsel.} It was added by Public Law 110-255, section
9632 3, subsection a.

9633 Mr. {Barton.} And what law is that?

9634 {Counsel.} It is--

9635 Mr. {Barton.} Because it is not as it is referenced in
9636 this amendment.

9637 {Counsel.} It is an Act called ``To authorize the
9638 Administrator of the Environmental Protection Agency to
9639 accept, as part of a settlement, diesel emission reductions
9640 supplemental environmental projects, and for other
9641 purposes.'' And this Public Law amended what was enacted in
9642 EPACT '05. And it--

9643 Mr. {Barton.} Well, I would ask that the gentlelady
9644 withdraw the amendment, so that we get it clarified what we
9645 are talking about. We will accept it, once it is correctly
9646 cited.

9647 The {Chairman.} Would the gentleman yield to me?

9648 Mr. {Barton.} Would be happy to yield.

9649 The {Chairman.} Why don't you accept it, and then, we
9650 will make sure that the code sections and all of that are
9651 correct, if you don't have any disagreement with the policy.
9652 And if we have a problem, and you want to come back to the
9653 committee, we can come back and revisit it.

9654 Mr. {Barton.} I will accept that, with the chairman's
9655 understanding that before, if and when this bill gets out of
9656 committee, we will fix it. We are not opposed to the policy.
9657 I think she is just trying to make sure that--

9658 Ms. {Christensen.} The territories are included.

9659 Mr. {Barton.} Yeah.

9660 The {Chairman.} With that understanding, I would ask
9661 unanimous consent that the amendment be considered as read,
9662 subject to further discussions on the language and the
9663 structure of the amendment, to be sure it meets with the
9664 concerns of members.

9665 Mr. {Barton.} Technical citations.

9666 The {Chairman.} Technical citations.

9667 Mr. {Barton.} Then, we will support the amendment.

9668 Mr. {Shimkus.} Mr. Chairman.

9669 The {Chairman.} Who seeks recognition?

9670 Mr. {Shimkus.} Down here.

9671 The {Chairman.} Yes.

9672 Mr. {Shimkus.} Just to speak in support of the
9673 amendment.

9674 The {Chairman.} Well, I ask unanimous consent that the
9675 amendment be accepted. Do you want to speak on it anyway?

9676 Mr. {Shimkus.} Just briefly.

9677 The {Chairman.} The gentleman is recognized. How
9678 brief?

9679 Mr. {Shimkus.} For me, it will be very brief.

9680 The {Chairman.} Well, we will have to yield you ten
9681 minutes.

9682 Mr. {Shimkus.} I am speaking in support. You might
9683 want me to take the whole five minutes, since I haven't been
9684 supportive of anything else.

9685 The {Chairman.} The gentleman is recognized.

9686 Mr. {Shimkus.} I just want to applaud the gentlelady.
9687 During one of the markups, I went to the Diesel Technology
9688 Forum. Congresswoman Matsui and I are the authors of the
9689 DERA Act. It has been very successful in cleaning up diesel
9690 emissions.

9691 I applaud this move to make sure other entities of our
9692 country fall into it, and I applaud the gentlelady, and I
9693 just want to extol the virtues of that piece of that
9694 legislation, which we passed, and I yield back my time.

9695 The {Chairman.} The gentleman yields back the time.
9696 All those in favor of the Christensen amendment, say aye.
9697 Aye. Opposed, no. The ayes have it. The amendment is
9698 agreed to.

9699 We will now go to the Republican side. The gentleman
9700 from Michigan seeks recognition for what purpose?

9701 Mr. {Upton.} Chairman. I have an amendment at the
9702 desk, and it seems like it was put there two days ago, but it
9703 was sometime this morning. Relevant to this title, relating
9704 to unemployment numbers, 10 percent. I don't know--

9705 The {Chairman.} Will the clerk inform us whether this

9706 amendment has been presented in a timely fashion?

9707 The {Clerk.} It has. It has, Mr. Chairman.

9708 The {Chairman.} Will you please report the amendment?

9709 The {Clerk.} Amendment to H.R. 2454, offered by Mr.

9710 Upton. ``After section 2, insert the following--

9711 Mr. {Upton.} I would ask unanimous consent that it be
9712 considered as read.

9713 The {Chairman.} Without objection, the amendment is
9714 considered as read, and the gentleman is--

9715 Mr. {Upton.} And I am going to ask another unanimous
9716 consent agreement, so if you would listen to this carefully.
9717 The amendment says 10 percent, that the bill will be, like we
9718 have done before, that the average unemployment rate for the
9719 prior year, if it reaches 10 percent, it shall cease to be
9720 effective.

9721 And I am going to ask unanimous consent that that
9722 number, 10 percent, where is that?

9723 The {Chairman.} You want to change it to add those
9724 words.

9725 Mr. {Upton.} I am going to try to say, this is not the
9726 right amendment, the one that they did. I am sorry. The
9727 amendment that they passed, I was not. Yeah. This isn't the
9728 right one.

9729 Mr. {Barton.} You would rather like this one better?

9730 The {Chairman.} No, I liked mine, that I was going to
9731 introduce.

9732 Mr. {Barton.} Why don't we report which one they will
9733 accept?

9734 Mr. {Upton.} You want to accept this one? It says
9735 Upton on the top.

9736 The {Chairman.} Has our clerk identified the amendment
9737 that Mr. Upton really, really wanted to offer?

9738 Mr. {Upton.} It has an off ramp at 10 percent,
9739 nationally. That is not this one.

9740 Mr. {Barton.} Is it at the desk?

9741 Mr. {Upton.} It has been there since this morning.

9742 The {Clerk.} Are you talking about the Midwest, or are
9743 you talking about--

9744 Mr. {Upton.} National. National unemployment rate of
9745 10 percent.

9746 The {Clerk.} Oh.

9747 Mr. {Upton.} And it has Upton on it, and it is at the
9748 desk. And it has been at the desk for two hours.

9749 The {Clerk.} Could we have our clerk take the amendment
9750 from you briefly, just to compare, because we have, like--

9751 Mr. {Upton.} Maybe for the moment, Mr. Chairman, I will
9752 yield to another member, as for amendment. I will come back
9753 in the queue, just to save some time.

9754 The {Chairman.} Okay. Mr. Space, are you ready with
9755 your amendment?

9756 Mr. {Space.} Yes, Mr. Chairman.

9757 The {Chairman.} You wish to be recognized on it, I
9758 presume. It is amendment, may I presume it is an amendment
9759 that fits to this Title?

9760 Mr. {Space.} You may.

9761 The {Chairman.} And is it one that has been at the desk
9762 for more than two hours?

9763 Mr. {Space.} Yes, Mr. Chairman. Thank you, Mr.
9764 Chairman.

9765 The {Chairman.} Well, before you speak, let us get the
9766 amendment reported. See if we can do that, and have it
9767 distributed.

9768 Mr. {Upton.} This one also says Upton at the top,
9769 honest.

9770 The {Chairman.} We are having the amendment
9771 distributed. Would the clerk report the amendment?

9772 The {Clerk.} Amendment to the amendment in nature of a
9773 substitute, offered by Mr. Space.

9774 [The amendment follows:]

9775 ***** INSERT 11 *****

|
9776 The {Chairman.} Without objection, the amendment will
9777 be considered as read, and the gentleman from Ohio will be
9778 recognized for five minutes.

9779 Mr. {Space.} Thank you, Mr. Chairman. This amendment
9780 is designed to expand the opportunities to deploy carbon
9781 capture and sequestration technology on existing coal-fired
9782 power plants.

9783 The bill itself provides generous incentives for
9784 companies to engage in aggressive CCS technology, in the way
9785 of an allowance bonus, and while we are very happy to see
9786 that provision in the bill, we feel that it does not
9787 adequately account for existing large generators, who wish to
9788 retrofit their facilities to provide for partial CCS
9789 technology, in the output of electricity.

9790 This amendment is designed simply to reward those
9791 electrical generators that do engage in CCS, with bonus
9792 allowances for retrofitting existing facilities. We think
9793 that that is the most feasible and practical way to ensure
9794 rapid deployment, development of this new technology, and as
9795 far as we can see, it is perfectly in line with the goals and
9796 intent of this legislation, to move in the direction of CCS
9797 technology in the utilization of coal-fired generation.

9798 Yield back.

9799 The {Chairman.} Yields back his time. Is there
9800 discussion on the amendment?

9801 Mr. {Barton.} Mr. Chairman.

9802 The {Chairman.} Mr. Barton.

9803 Mr. {Barton.} I have several questions. We are not
9804 automatically opposed to it, and we are predisposed to be
9805 supportive, but we want to make sure we understand it. And I
9806 can ask this of the author or the counsel. Is the Space
9807 amendment specific to one plant, or is it a generic
9808 amendment?

9809 Mr. {Space.} It is a generic amendment, not specific to
9810 one plant.

9811 Mr. {Barton.} It is not specific to one plant. And on
9812 page 2 of your amendment, in the retrofit applications, in
9813 the paragraph number 2, where you talk about a certain
9814 percentage of flue gas, no longer applies to flue gas, but
9815 the entire product. We don't understand that. Can you
9816 explain that?

9817 Mr. {Space.} I will do my best to explain it, and then,
9818 certainly, I am willing to defer to counsel. The basis of
9819 this amendment is to stay within the framework of the
9820 original bill, in terms of the amounts of electricity being
9821 generated that will be eligible for CCS bonus allowances. We
9822 have attempted to remain consistent with the intent of the

9823 bill. That language is designed specifically for those
9824 retrofitted plants that are not generating all of their power
9825 through CCS technology.

9826 There is still the 200 megawatt limitation that exists
9827 in the original bill, so if you have got a 1,000 megawatt
9828 plant that wants to retrofit and do 20 percent through CCS,
9829 this amendment permits that. It just factors in all those
9830 ingredients, in a consistent fashion throughout the
9831 amendment.

9832 This legislation, we have been looking at this very
9833 carefully, and certainly, are mindful of concerns that
9834 members may have, but we see no problem. We think this will
9835 encourage the development, encourage deployment, and if this
9836 technology is going to be developed, it is going to be
9837 developed in this fashion, by existing plants that can do it
9838 at scale. They are going to be sequestering this carbon
9839 onsite.

9840 There are a lot of reasons as to why they cannot, and it
9841 is not practical to think that they would, convert, or
9842 retrofit the entire operation over to CCS technology, because
9843 of the integration between the CCS technology and the plant's
9844 operation. It is too risky. If there is a problem with the
9845 CCS, the whole plant shuts down. It requires massive amounts
9846 of real estate. It is essentially, if a plant were to go

9847 completely retrofit it to CCS, they would have to double the
9848 real estate. Many plants just don't have that option
9849 available.

9850 This legislation is designed to allow some of those
9851 plants to do it. We know of one plant down in West Virginia,
9852 the Mountaineer Plant, made a significant investment in this
9853 process. We think it would be a shame to penalize companies
9854 that have been headed for--

9855 Mr. {Barton.} You intend this would apply to any
9856 existing coal-powered plant in the country.

9857 Mr. {Space.} Any existing coal-fired plant in the
9858 country. It is very unlikely that any small manufacturer,
9859 relatively small manufacturer of electricity would, in fact,
9860 take advantage of this, because if you don't have scrubbers,
9861 it is impracticable to expect that CCS technology will be
9862 utilized, and only the larger plants have scrubbers. So,
9863 really, the threshold is at about 600 megawatts, so it is
9864 very unlikely that this would be something that would be--

9865 Mr. {Barton.} I don't see Mr. Boucher in the room, but
9866 he is the author of the CCS bill that I am a sponsor of, and
9867 the language in our Republican alternative, if not identical,
9868 is almost identical to his language. Is Mr. Boucher
9869 comfortable with his? Do you know? Have you talked to him?

9870 Mr. {Space.} I don't wish to speak for him, but I do

9871 have information that he is comfortable with this language,
9872 and supportive of the amendment.

9873 Mr. {Barton.} Okay.

9874 The {Chairman.} Would the gentleman yield? We have
9875 been informed that Mr. Boucher has had a chance to review
9876 this amendment, and is supportive of it.

9877 Mr. {Barton.} Well, I have to admit, I am a registered
9878 professional engineer, but I am not an expert in CCS
9879 technology, and I am certainly not an expert in retrofitting
9880 of existing coal-fired power plants of 1 gigawatt generating
9881 capacity.

9882 The {Chairman.} Well, maybe Mr. Shimkus would like to
9883 comment.

9884 Mr. {Barton.} Our new friend from Ohio certainly seems
9885 to understand it, and he seems like a sincere young man, so I
9886 am going to say we will accept it.

9887 Mr. {Space.} I thank the ranking member.

9888 The {Chairman.} Any further discussion on this
9889 amendment?

9890 Mr. {Shimkus.} Mr. Chairman.

9891 The {Chairman.} Who seeks recognition?

9892 Mr. {Shimkus.} Chairman, I just want to ask a question
9893 to the author.

9894 The {Chairman.} The gentleman is recognized.

9895 Mr. {Shimkus.} Is it safe to say that what this
9896 amendment does is applying the same standards of new coal-
9897 fired plants to retrofits?

9898 Mr. {Space.} I am not sure I understand the question.
9899 What it is doing, in a sense it is. It is making those
9900 retrofits eligible for that bonus allowance that would be
9901 available for new plants that go completely CCS, which we
9902 anticipate in the future. These are for early retrofits
9903 that, again, are fundamentally important to the development
9904 of the technology over the next four to five years.

9905 Mr. {Shimkus.} Thank you, Mr. Chairman. I yield back.

9906 The {Chairman.} Are we ready for the question? All
9907 those in favor of the Space amendment will say aye. Aye.
9908 Opposed, no. The ayes have it, and the amendment is agreed
9909 to.

9910 Mr. Upton, are we ready?

9911 Mr. {Upton.} I am ready.

9912 The {Chairman.} You are ready. Is the clerk ready with
9913 the Upton amendment?

9914 The {Clerk.} Mr. Chairman, I ask, I may ask that, since
9915 the amendment is only two sentences long, I might ask that it
9916 be read. I am going to have a unanimous consent to change
9917 the number from 10 to 15 percent, but I will wait until it is
9918 read.

9919 The {Chairman.} The clerk just will report it, so we
9920 will have it before us.

9921 The {Clerk.} Amendment to H.R. 2454, offered by Mr.
9922 Upton. ``After section 2, insert the following new section,
9923 and make the necessary conforming changes in the table of
9924 contents.''

9925 [The amendment follows:]

9926 ***** INSERT 12 *****

|
9927 The {Chairman.} Without objection, it will be
9928 considered as read, and further, without objection, the
9929 number 10 will be changed the number 15 percent.

9930 Mr. {Upton.} 15 percent, yeah.

9931 The {Chairman.} Without objection, that will be the
9932 order. And the gentleman from Michigan is recognized to
9933 speak on his amendment.

9934 Mr. {Upton.} Well, thank you, Mr. Chairman.

9935 Mr. Chairman, as a number of us have said for much of
9936 the day, in our region of the country, there is not a bigger
9937 issue than unemployment, particularly in my state, which has
9938 had the terrible distinction of having the highest
9939 unemployment rate in the country for some time.

9940 We have been told that this legislation has little or no
9941 economic harm, that allocations have been made to cushion the
9942 blow, but in remarks that John Engler made this last week,
9943 the head of the National Association of Manufacturers, he
9944 said that the enactment of this bill could possibly lead to a
9945 permanent recession.

9946 In Michigan, a study was done by the NAM, and they said
9947 that the primary cause of job losses in Michigan would be
9948 lower industrial output due to higher energy prices, the high
9949 costs of compliance, and greater competition from overseas

9950 manufacturers with lower energy costs. The impact on energy
9951 prices, it said, most energy prices would rise under the
9952 proposal, particularly for coal, oil, and natural gas.
9953 Manufacturers would be especially hard hit, as they consume
9954 one third of all energy in the U.S. Higher utility bills and
9955 gasoline prices would take their toll on Michigan's economy,
9956 and would impose the heaviest financial burden on low income
9957 households. State budgets would be adversely affected.

9958 Our former committee colleague, Sherrod Brown, now a
9959 Senator from Ohio, who opposed cap and trade last June on the
9960 Senate floor, said that the President's plan, President
9961 Obama's plan, would lead to an increase in energy costs, and
9962 would drive American firms abroad, and he said this: ``It
9963 really does say to manufacturing, go to China, where they
9964 have weaker environmental standards. And that is a very bad
9965 message, in bad economic times, in any economic times.''

9966 Job losses in my state this year may reach 239,000. So,
9967 what this amendment does, in order to save some time, we
9968 moved it from 10 to 15 percent, I appreciate the chairman's
9969 unanimous consent agreement, that if the Nation's
9970 unemployment rate reaches 15 percent because of this Act, we
9971 will suspend the bill, which is pretty much what we have
9972 tried to do with the other provisions that have not received
9973 a majority of votes for much of the day, whether it be

9974 increase in energy costs, whether it be increases in utility
9975 costs, whether it be other countries, particularly, the other
9976 large emitters, whether they comply or not.

9977 We are saying, in essence, that if this bill increases
9978 unemployment up to 15 percent, a number that none of us want
9979 to ever see, in our state, or certainly, in our country,
9980 because of this bill, there is going to be an off ramp, and
9981 it will, at that point, be suspended.

9982 So, I would ask my colleagues to support that, and at
9983 this point, I would yield back my time.

9984 The {Chairman.} The gentleman yields back his time.

9985 Who seeks recognition on the amendment? Mr. Green.

9986 Mr. {Green.} Thank you, Mr. Chairman. I guess we may
9987 have some questions about the drafting of it. And I am
9988 reading, I am glad it is a short amendment.

9989 In the last sentence, ``if the Administrator determines,
9990 in consultation with the Department of Labor, that the
9991 unemployment rate for the prior year meets or exceeds 15
9992 percent,' by unanimous consent, ``as a result of the
9993 implementation of this Act, the provisions of this Act shall
9994 cease to be effective.' 15 percent as a result of this Act.
9995 So, we are at 8.5 percent now, maybe 9.

9996 Mr. {Upton.} They would have to determine that the
9997 increase was because of this bill, versus--

9998 Mr. {Green.} I am just thinking out loud that if this
9999 Act causes 15 percent employment on our 9 percent now, we
10000 would be at 24 percent, which is Depression era. I think we
10001 would see a new Congress if that determination is made,
10002 whether we have this amendment or not.

10003 Mr. {Upton.} Glad to have the gentleman's support.

10004 Mr. {Barton.} You just broke the code. And I think
10005 that is--

10006 Mr. {Upton.} Chairman Barton, would you like to respond
10007 to that?

10008 Mr. {Green.} Well, I can't imagine that happening. I
10009 reclaim my time. That is my concern about, I guess, a lot of
10010 these amendments. This bill--

10011 Mr. {Upton.} I would make the point that--

10012 The {Chairman.} Mr. Upton. Mr. Upton, if you want him
10013 to yield to you, ask him to yield.

10014 Mr. {Upton.} Yeah, I am sorry. Would the gentleman
10015 yield?

10016 Mr. {Green.} Let me finish my argument, Fred, and I
10017 yield to you.

10018 The {Chairman.} Excess of time.

10019 Mr. {Green.} I got plenty of time. I guess my concern
10020 with a number of these amendments is that over the next few
10021 years, this bill has some benchmarks that we are going to get

10022 to. At any time during the next ten years even, Congress
10023 could revisit this, and if we see anywhere near the horror
10024 stories of \$5 a gallon gas, or 15 percent unemployment, based
10025 on this bill, I think Congress would be derelict if they
10026 didn't revisit, no matter who is in charge.

10027 And so, that is why I think some of these amendments
10028 are, sounds good in politics, but actually, in reality, it
10029 doesn't make much sense. Because if your bill, we would have
10030 to get, if we went to 10 percent unemployment right now,
10031 which is terrible, I think 8.5 is bad, and 15 percent on top
10032 of that, it would be literally 1933, and there was a new
10033 Congress in 1932, because of the policies of, in trying to
10034 deal with the Depression.

10035 With that, I will be glad to yield, Fred.

10036 Mr. {Upton.} The intent of this is that it would be 15
10037 percent total, not 15 on top of the current rate of--

10038 Mr. {Green.} Well, the way I read it, it says 15
10039 percent as a result of the implementation of this Act. I
10040 think if you read it, and I don't know, we may ask the staff
10041 for their interpretation, but I think that is what the bill,
10042 the amendment says.

10043 Mr. {Upton.} But it says, if the gentleman would yield,
10044 it says if the employment rate for the prior year meets or
10045 exceeds 15 percent. It doesn't say--

10046 Mr. {Green.} As a result of the implementation of this
10047 Act. And I think that is why I am reading 15 percent, or if
10048 it is 15 percent, then 8.5 percent, what we have right now,
10049 which hopefully, we will lower over the next few months. But
10050 Mr. Chairman, that is why I oppose the amendment, and I yield
10051 back my time.

10052 The {Chairman.} Further discussion of the amendment.
10053 Mr. Shimkus, do you seek recognition?

10054 Mr. {Shimkus.} Yes, Mr. Chairman. Speak in support.

10055 The {Chairman.} The gentleman is recognized.

10056 Mr. {Shimkus.} Of the amendment. Thank you.

10057 I guess what we are trying to find out is, if we are
10058 going to make benchmarks for carbon emissions out to 2050,
10059 why can't we accept one amendment on job losses? Why can't
10060 we accept one amendment on energy cost increase? If we are
10061 going to have all these benchmarks, as my colleague from
10062 Texas said, we got all these benchmarks, why don't we have
10063 one benchmark for the ratepayer? Why don't we have one
10064 benchmark for the employed or unemployed worker? Why don't
10065 we have just one benchmark that says by golly, if costs
10066 increase, we are going to take care of the little guy? We
10067 got benchmarks, again, for the corporate titans who went
10068 behind the closed doors to cut these deals. We have got
10069 benchmarks for them out to 2050. We don't have a single

10070 benchmark for the single individual ratepayer, nor do we have
10071 a single benchmark to protect for job loss. Not one.

10072 This goes back to the other debates. Who is sticking up
10073 for the little guy? The individual in rural America who has
10074 to drive long distances. Who is sticking up for the guy who
10075 is going to lose their jobs? We have had Dr. Gabriel
10076 Calzada-Alvarez from Spain. He talked to us and said,
10077 America, are you crazy? We have got 17.5 percent
10078 unemployment in Spain, and you want to model your aspects
10079 after us? You have got to be kidding me. For every one
10080 green job, we have lost 2.2 regular jobs. That is why this
10081 debate is so crazy. All these benchmarks for caps,
10082 throughout the ages. No benchmark for the little guy. No
10083 benchmark for the ratepayer.

10084 More gas price increases. More job losses. You guys
10085 don't want to protect them. We are giving you chances to
10086 vote. You won't take us up on it. No, it is not going to
10087 affect them. It is going to affect them. We are betting
10088 that it will. Why don't you just accept one of these
10089 amendments? 15 percent? Fred could have stayed with 10.
10090 Fred, I would ask you to move it to 23 percent. We are
10091 trying to figure out how much job loss can we put in a
10092 benchmark for you all over on the other side? 50 percent, 60
10093 percent? Is there any benchmark for the worker that we can

10094 put in this bill? Is there any increase in electricity rates
10095 that we can put in this bill that you would accept? Anybody?
10096 No takers.

10097 The {Chairman.} Yield to me.

10098 Mr. {Shimkus.} I would yield to you, Mr. Chairman.

10099 The {Chairman.} There is no benchmark that you could
10100 say has only one solution, and that is the elimination of the
10101 law. There ought to be other thoughts as to how we can deal
10102 with this problem. Your only solution to any benchmark is to
10103 have the law evaporate. That is not thoughtful.

10104 Mr. {Shimkus.} If I, reclaiming my time, Mr. Chairman,
10105 the amendment says if these job losses are a result of this
10106 Act, directly, you know--

10107 The {Chairman.} The gentleman yield--

10108 Mr. {Shimkus.} You have got an Administration that
10109 supports cap and trade. We will have Department of Labor
10110 folks who will be in your camp. If they say we have lost 15
10111 percent to 23 percent unemployment, then they are pointing
10112 out the fallacies of this bill. But you guys won't even
10113 accept an analysis. Why don't you counter with an amendment
10114 that says we will at least look at it if the unemployment
10115 reaches 23 percent? You are not even accepting the premise
10116 that there is--you do accept the premise that there is going
10117 to be energy increases, because you have got a portion of

10118 this bill to mitigate the increase.

10119 You have given out these caps to try to mitigate the
10120 effects of increased costs. All we are saying is, let us
10121 have a benchmark for the little guy.

10122 The {Chairman.} Would the gentleman yield?

10123 Mr. {Shimkus.} Not the guys who went into the back
10124 room, who cut these deals, not the CEOs, how about the little
10125 guy?

10126 Ms. {Eshoo.} Would the gentleman yield?

10127 Mr. {Shimkus.} No, I will not yield right now. Because
10128 what I would like to get a premise, is that my colleague from
10129 Texas says we have got these benchmarks. I think that is
10130 real telling. We have got benchmarks for everybody but the
10131 person who is going to pay the fare. We bring up electricity
10132 increases. We bring up gas increases. We bring up job
10133 losses. But you all don't seem to want to address the issue
10134 that faces the poor in this country, and I am sorry about
10135 that.

10136 The {Chairman.} The gentleman's time has expired. Mr.
10137 Sarbanes.

10138 Mr. {Sarbanes.} How is that? I would oppose this
10139 amendment. The other side is taking down, and it is making
10140 it up, and it is taking up, and it is turning it down. And
10141 here is what I mean.

10142 The benchmarks that you keep talking about, our premise
10143 is that if we don't do this bill, we are going to hit these
10144 high gas prices, because the only way we are going to reduce
10145 our dependence on oil is to move in a different direction,
10146 and that was the experience of last year. So, we look at
10147 these numbers you pose, and for us, it is a reason to
10148 redouble our commitment to this bill, because we believe, we
10149 think the evidence demonstrates that if we don't commit to
10150 what is in this bill, we are going to be back again at those
10151 high gas prices.

10152 If we don't commit to what is in this bill, we are not
10153 going to create the millions of jobs that this bill has the
10154 potential to create. We are not going to create those new
10155 economies, this new clean economy, clean energy economy.
10156 That is what the little guy wants. They want jobs. This is
10157 what they want. This is a jobs bill, first and foremost. It
10158 is a job that will create fuel efficiency and fuel economy,
10159 so that the person who needs to get in their car and drive
10160 great distances, as we heard about before, from Mr. Rogers,
10161 can do that at less expense. So, this is exactly designed
10162 for the little guy.

10163 And I think that, I mean, I am not sure I quite
10164 understand the way this bundle of amendments has been
10165 drafted, whether it is what Mr. Green surmised, that when you

10166 are talking about 15 percent unemployment, you are putting
10167 that on top of the current unemployment rate, and so, you are
10168 talking about 25 percent, in which case, I think he is right.
10169 The world turns upside down, and it becomes meaningless. Or
10170 whether it is what I interpret it to be, which is you are
10171 saying the point at which we go over 15 percent, then your
10172 provision would take effect, or the point at which gas prices
10173 go over \$5 per gallon, your provision would take effect.

10174 But if that is the case, it could be that the
10175 unemployment rate got to 14.99 percent, for reasons wholly
10176 unconnected to this bill, and somebody determined that based
10177 on this bill, it kicked it over the 15 percent threshold, and
10178 then suddenly, we would scrap the whole bill. Or the gas
10179 prices would get up to \$4.99 per gallon for reasons wholly
10180 unconnected to this bill, but that 2 percent push that the
10181 economists have concluded is the only marginal impact that
10182 this will have on gas prices at the pump, would push you to
10183 \$5.01, and then have the triggering effect of completely
10184 eliminating this program and this bill.

10185 So, I think it is not drafted very wisely, from that
10186 standpoint. None of these amendments are, to the extent they
10187 are going to get rid of this commitment, which is all about
10188 reducing gas prices over time, because you have alternative
10189 sources of energy, and making sure that the jobless rate

10190 comes down, because you are creating these new economies, and
10191 so, for those reasons, I would oppose this amendment just the
10192 way I opposed the other amendment.

10193 And I yield back my time, Mr. Chairman.

10194 The {Chairman.} The gentleman yields back his time.

10195 Ms. Blackburn.

10196 Ms. {Blackburn.} Thank you, Mr. Chairman. I do speak
10197 in favor of the amendment, and I am glad that Mr. Upton
10198 brought this amendment forward, because retaining jobs,
10199 creating jobs, are something that we are all very, very
10200 concerned about. And we are in deep concern, when we hear
10201 from other countries that, like the report from Spain that
10202 Mr. Shimkus referenced, that they have actually lost jobs.

10203 Now, as we have gone through this entire process over
10204 the last several months, of looking at cap and trade, and
10205 looking at the European trading scheme, I would like to just
10206 ask my colleagues on the other side of the aisle, do you have
10207 studies or access to studies that show that countries have
10208 actually grown, had a net increase in jobs, after they
10209 implemented cap and trade?

10210 Because it seems that we continue to hear is that you
10211 lose your manufacturing jobs, you lose your energy-based
10212 jobs. If it has to do with steel, if it has to do with
10213 cement, if it has to do with electric power generation, you

10214 are going to see jobs lost, a net jobs loss. So, it is of
10215 tremendous concern to me that we are not hearing from the
10216 other side of the aisle that they want to put some markers in
10217 here. They want to have, they are averse to having checks
10218 and balances, to make certain that we don't end up with a
10219 piece of legislation that becomes a division of our Federal
10220 Government, that is all of a sudden too big to fail, and we
10221 can't go in here, and have any checks and balances.

10222 We need to put that in place, and we need to do it now.
10223 We don't need to delegate that to some administrator of some
10224 administration, or some secretary. This is something that we
10225 are tasked to do on behalf of our constituents, and our
10226 constituents are very, very skeptical of what the outcomes
10227 will be from this legislation.

10228 So, I appreciate the gentleman's amendment, and I yield
10229 back the balance of my time.

10230 The {Chairman.} The gentlelady yields back the balance
10231 of her time. Ms. Eshoo.

10232 Ms. {Eshoo.} Thank you, Mr. Chairman. I oppose the
10233 amendment, and I would like to say a few things about why.

10234 First of all, if you read the bill, and you want,
10235 because you are concerned about the little guy, read about
10236 the 15 percent for low and moderate people that are in the
10237 bill. This is a classic debate about the past versus the

10238 future. This is really about the New Deal in the Twenty
10239 First Century, and I haven't heard one member use the
10240 following word: the children. What the hell kind of a
10241 future are any of our children or theirs going to have if we
10242 remain wedded and stuck to the past, to an oil past, and keep
10243 that as an oil future?

10244 It is not sustainable. It is not sustainable, and we
10245 know that it is not. This bill does take our country in a
10246 new direction, and that may be frightening to some, but it is
10247 far more frightening not to understand that we have to
10248 change, that we have to shape our future and America's
10249 destiny. Because if we don't, our children are really
10250 doomed. Our children will be doomed. They will not be able
10251 to sustain what you all want them to inherit, based on your
10252 debate tonight.

10253 I respect your thinking. I don't agree with it, but I
10254 respect you. I respect you, but I think, with all due
10255 respect to you, that you are on the wrong side of history
10256 here. You are on the wrong side of history. My children
10257 think we have done a lousy job, in terms of what they have
10258 inherited so far.

10259 So, each title of this bill is a step into the future,
10260 and I think that we need to be bold, because the situation
10261 calls for it. But, you know, all this business about the

10262 little guy and clinging to past, my God. The average person
10263 in this country wants us to shape policies that are going to
10264 catapult us ahead. Today and the past are not good enough
10265 for them anymore.

10266 So, I thank my colleagues on the other side of the aisle
10267 for their sincerity, but boy, is there a difference in the
10268 way we think, and I think the debate not only around this
10269 amendment but others are highly instructive. And I think I
10270 have--

10271 Mr. {Markey.} Will the gentlelady yield?

10272 Ms. {Eshoo.} I would be glad to yield to Mr. Markey.

10273 Mr. {Markey.} I thank the gentlelady for yielding. You
10274 know, this is very consistent with what has happened since
10275 January 20 and the inauguration of President Obama.

10276 There was near uniform Republican opposition to his job
10277 stimulus plan, a very negative characterization of it that
10278 was made, even though it was obvious that it had lifted the
10279 hopes of the American people, and given some real sense that
10280 there was a way out of this economic morass that the
10281 preceding eight years had, unfortunately, put our country
10282 into.

10283 Here, we know that much of what we are suffering from is
10284 our excessive dependence upon imported oil. What we are
10285 trying to do is to put in place a plan, with some

10286 predictability, that will elicit massive amounts, some
10287 economists believe upwards of a trillion dollars, of private
10288 sector investment into this sector, that will create millions
10289 of new jobs. But instead of embracing that, it is clear that
10290 like the near uniform opposition to the President's stimulus
10291 plan, they intend on taking the same tack here, and I am sure
10292 they will in other economic policy areas before this year is
10293 done.

10294 And that is their right, but it is a very pessimistic
10295 view of the future. It almost guarantees that we wind up
10296 with \$5 a gallon gasoline. It almost guarantees that we wind
10297 up with very high unemployment, because we either have a
10298 choice here of reenactment, which is clear, is going to be
10299 the case on this bill, as it was on the stimulus bill, or it
10300 is reconciling to the dilemma which we have in this country,
10301 and carving out a new path, a predictable path that can
10302 unleash private sector investment in this sectors, as it did
10303 in the telecommunications sector after the 1996
10304 Telecommunications Act.

10305 Mr. {Gingrey.} Will the gentleman yield?

10306 Mr. {Markey.} That is unfortunately the choice which is
10307 being made. I thank the gentlelady for yielding to me and I
10308 yield back the balance of the time.

10309 Mr. {Gingrey.} Will the gentlelady yield?

10310 The {Chairman.} Time has expired. Mr. Barton.
10311 Mr. {Barton.} Mr. Chairman, thank you for recognizing
10312 me. I speak in support of this amendment and I want to state
10313 the reasons why. First, I want to bring members attention to
10314 page 420 of the Chairman's substitute where it talks about
10315 the emission allowances by calendar year beginning in 2012
10316 for the U.S. economy the cap is 4,627 million metric tons and
10317 that increases in 2014 by about 400 tons, increases a little
10318 bit more in 2016. I assume those are the refinery allowances
10319 that Mr. Green and Mr. Gonzalez have negotiated. Then it
10320 begins to decline and it eventually in the year 2050 declines
10321 to 1,035. Now, the best number that I have for the manmade
10322 CO2 emissions in the United States in the year 2005 which is
10323 the baseline year was a little over 7,000, 7,200. So there
10324 is 2.6, I mean 2,600 million metric tons of CO2 that has
10325 disappeared. I don't know if that has been given away. I
10326 don't know if it is in reserve but it is not in this bill.
10327 According to the press reports and according to some of the
10328 other gentlemen on your side, on the majority side that have
10329 spoken today, even with all of the allowances that are being
10330 given away there is still at least 15 percent that are going
10331 to have to be auctioned beginning, I assume, in 2013, maybe
10332 2014. Now that is going to cost money. The Heritage
10333 Foundation and we have asked CDO to score this bill for the

10334 first five years. Hopefully, that score will come out in the
10335 next day or so while this Markup is still going on but The
10336 Heritage Foundation's quick analysis of the new bill that is
10337 now in play says in the year 2012, which is the first year
10338 you have a cap, the U.S. economy is going to lose almost two
10339 million jobs. And again, The Heritage Foundation says on
10340 average every year the U.S. economy is going to lose 844,000
10341 jobs, almost two million the first year and a little under a
10342 million every year, every year. Now, they may be right.
10343 They may be wrong. They may be off 50 percent either way.
10344 There may be other analyses that come out in the next few
10345 weeks. We have only got three days apparently to mark the
10346 bill up. This amendment, the Upton Amendment is pretty
10347 straightforward. It says if the unemployment rate exceeds 15
10348 percent cumulatively, you suspend the Act. Now, if it
10349 doesn't, nothing happens. If it does and he even added as a
10350 result of the implementation of this Act and it is the Obama
10351 Secretary of Labor and the Obama EPA administrator that have
10352 to prepare the report to Congress. It is not the Bush
10353 administration. It is not the Reagan administration. It is
10354 not the Ford administration. It is the Obama administration.
10355 Now, at some point in time the majority that supports this
10356 bill really needs to support one of these amendments. We
10357 have tried to protect our workers against jobs going to China

10358 and India. The majority has said no. We have tried to
10359 protect our workers against high gasoline prices. The
10360 majority has said no. We are now trying to protect our
10361 workers against generically losing their job because
10362 unemployment goes up to 15 percent. The majority should say
10363 yes to this one. There ought to be some cap. We are into
10364 this big cap in trade debate. Let us have some cap on how
10365 high unemployment can go to protect the worker. Now, these
10366 are union workers and non-union workers. These aren't
10367 Republican workers. These are every worker in America. And
10368 somebody has pointed out if 15 percent is not the right
10369 number, maybe it should be 20 percent but there should be
10370 some number that the majority is willing to accept. I mean
10371 we cannot have it both ways. Either this thing is going to
10372 be hugely expensive and unemployment is going to go up and
10373 prices are going to go up. Are we going to have this green
10374 revolution and there is going to be peace and love and we all
10375 live in the Garden of Eden but you can't have it both ways.
10376 We ought to vote for the Upton amendment.

10377 The {Chairman.} The gentleman's time has expired.
10378 Further debate? If not let us go to the vote. I think all
10379 of the members have heard all of the arguments. For what
10380 purpose is the gentleman from Louisiana, Mr. Scalise, seeking
10381 recognition? Do you want to pursue your point of order?

10382 Mr. {Scalise.} To speak on the amendment.

10383 The {Chairman.} You wish to speak on the amendment.

10384 Who else wishes to speak on this amendment? Mr. Scalise will
10385 be recognized to speak on the amendment for five minutes and
10386 then we will proceed to the vote.

10387 Mr. {Scalise.} Thank you, Mr. Chairman. I am not sure
10388 how many people are familiar with something called the rule
10389 of holes. What the rule of holes says is if you find
10390 yourself in a hole, the first thing you do is stop digging.
10391 And so what this amendment is trying to do is say if we have
10392 determined that after looking at this cap in trade energy
10393 tax, watching the implementation and reviewing the effects.
10394 If all of these grandiose ideas of how millions of jobs are
10395 going to be created don't pan out, if we in fact lose 15
10396 percent more jobs in our country because of cap in trade then
10397 the first thing we should do is stop doing cap in trade. The
10398 amendment doesn't take effect if they create all of these
10399 millions of jobs we keep hearing about. Of course, in Spain
10400 they heard that same argument. They heard how many wonderful
10401 jobs it is going to create and after years of implementing
10402 cap in trade in Spain, they now have actually done a study.
10403 They are actually phasing it out because they realize for
10404 every one new job they created, they lost 2.2 jobs and of
10405 those jobs they created, nine out of ten of them were

10406 temporary. So in essence for every one permanent job they
10407 created under cap in trade they lost 20 permanent jobs in
10408 their regular sections, in their regular economy. Now,
10409 according to this amendment we would say if we lose 20 jobs
10410 for every one job we create that is not the bill they are
10411 telling us it is. It is not a bill that is creating millions
10412 of jobs. It is a bill that is running off millions of jobs
10413 and then we should stop doing this because it didn't work the
10414 way that they said. Now, I know there are some people here
10415 that think that if a bunch of politicians in Washington say
10416 something then it is going to happen. There are a whole lot
10417 of families out there that know a while lot different and if
10418 there is any question about whether the people that are
10419 actually bringing this bill, the supporters of the cap in
10420 trade energy tax, look at their bill. Fifty-five pages so
10421 far that I have read through of this bill, 55 pages are
10422 dedicated to job loss. They have 55 pages of this bill and
10423 maybe I will finish it by the end of tonight at the pace we
10424 are going, but I have already found 55 pages in this bill
10425 that deal with workers that will lose their jobs because of
10426 cap in trade. So clearly they are acknowledging that jobs
10427 will be lost. As they are saying here in committee, millions
10428 of jobs will be created. It is going to be wonderful. Well,
10429 if that is the case, why did they dedicate 55 pages in their

10430 own bill to job loss? And maybe the worst part of it is the
10431 last page. Go to page 818 of the bill. It says the
10432 establishment of a waiting list for workers in the event that
10433 the request for assistance exceed the spending limit. They
10434 are acknowledging that even after all that they plan on
10435 spending on unemployment that will be created by cap in
10436 trade, they still acknowledge they may not be able to take
10437 care of all of the unemployed workers. They might have to
10438 create a waiting list. So you want to talk about children.
10439 Look at the impact of this bill on children. When their
10440 parent goes home and says hey you know those folks up in
10441 Washington, D.C., Congress had a brilliant idea to create
10442 millions of jobs for your generation. The problem is they
10443 got it wrong. Imagine that. Congress may have in about a
10444 five-day period wrote a thousand page bill, major biggest
10445 overhaul of energy policy in our country's history in five
10446 days and they actually got it wrong. And because of them
10447 getting it wrong they dedicated 55 pages to me being
10448 unemployed. Now, do you think that kid feels good about
10449 that? What about the guy that goes home and says they
10450 dedicated 55 pages to me being unemployed and I happen to get
10451 laid off later than everybody else and now I am on the
10452 waiting list. I don't even get help for being unemployed
10453 because of Congress' crazy actions, just like what they did

10454 in Spain. We don't have to look at reinventing the wheel.
10455 History shows you what can happen if you do something like
10456 this and you don't look at the consequences. They have
10457 looked at the consequences and they have said yeah, there is
10458 probably a real good chance a whole lot of people in this
10459 country will be laid off and so they dedicated 55 pages. So
10460 what happens to all of those people that lose their jobs?
10461 And all we are saying is why don't we add that number up to
10462 56 pages. We are just adding one more page to the 55 pages
10463 of how to deal with the unemployed people. But what we are
10464 saying is for those unemployed people don't create a waiting
10465 list for them. Don't create a bunch of government programs
10466 for all these people you are putting out of work. Stop
10467 putting them out of work. Just stop putting them out of
10468 work. Your great idea didn't work. Let us go to a real
10469 energy plan where we create good jobs. We become energy
10470 independent by using our own natural resources and using that
10471 to fund all of the alternative sources of energy. Not
10472 running jobs off to all these other countries that you then
10473 need 55 pages to go and deal with the unemployment and the
10474 job losses that will come. So I would support the amendment
10475 and I will yield back.

10476 The {Chairman.} Gentleman yields back. Are we ready
10477 for the vote?

10478 Mr. {Gingrey.} Mr. Chairman.

10479 The {Chairman.} Mr. Gingrey, for what purpose do you
10480 seek recognition?

10481 Mr. {Gingrey.} Mr. Chairman, to speak on the amendment.

10482 The {Chairman.} Gentleman willing to speak for less
10483 than five minutes or do you need the full five minutes?

10484 Mr. {Gingrey.} Well, Mr. Chairman, the gentleman is
10485 willing to speak for less than 45 seconds.

10486 The {Chairman.} The gentleman is recognized for
10487 hopefully that short period of time.

10488 Mr. {Gingrey.} I thank you, Mr. Chairman. I think the
10489 bottom line here is that we, this side of the aisle is
10490 willing to accept a new deal. We just don't want a raw deal
10491 and if a new deal that starts in 1932 is not working by 1939,
10492 we want to have a chance to have a sunset and get the heck
10493 out of that raw deal and that is what this is all about.
10494 That is all this amendment is all about. We want you to
10495 admit that there is a benchmark at which you would finally
10496 throw in the towel and say this is not working. This is not
10497 a new deal. This is a raw deal for our children and our
10498 grandchildren and let us go in another direction. And I
10499 yield back.

10500 The {Chairman.} Let us proceed to a vote on the Upton
10501 amendment. All those in favor of the Upton amendment say

10502 aye. Oppose no. No. It is the opinion of the chair the
10503 no's have it.

10504 Mr. {Barton.} Mr. Chairman, I ask for a roll call vote.

10505 The {Chairman.} Okay. We will proceed to a roll call
10506 vote. Clerk will call the roll.

10507 The {Clerk.} Mr. Waxman?

10508 The {Chairman.} No.

10509 The {Clerk.} Mr. Waxman, no. Mr. Dingell?

10510 Mr. {Dingell.} No.

10511 The {Clerk.} Mr. Dingell, no. Mr. Markey?

10512 Mr. {Markey.} No.

10513 The {Clerk.} Mr. Markey, no. Mr. Boucher?

10514 [No response.]

10515 The {Clerk.} Mr. Pallone?

10516 [No response.]

10517 The {Clerk.} Mr. Gordon?

10518 Mr. {Gordon.} No.

10519 The {Clerk.} Mr. Gordon votes no. Mr. Rush?

10520 Mr. {Rush.} No.

10521 The {Clerk.} Mr. Rush, no. Ms. Eshoo?

10522 Ms. {Eshoo.} No.

10523 The {Clerk.} Ms. Eshoo, no. Mr. Stupak?

10524 Mr. {Stupak.} No.

10525 The {Clerk.} Mr. Stupak, no. Mr. Engel?

10526 Mr. {Engel.} No.

10527 The {Clerk.} Mr. Engel, no. Mr. Green?

10528 [No response.]

10529 The {Clerk.} Ms. DeGette?

10530 Ms. {DeGette.} No.

10531 The {Clerk.} Ms. DeGette votes no. Mrs. Capps?

10532 Ms. {Capps.} No.

10533 The {Clerk.} Mrs. Capps, no. Mr. Doyle?

10534 Mr. {Doyle.} No.

10535 The {Clerk.} Mr. Doyle, no. Ms. Harman?

10536 Ms. {Harman.} No.

10537 The {Clerk.} Ms. Harman, no. Ms. Schakowsky?

10538 Ms. {Schakowsky.} No.

10539 The {Clerk.} Ms. Schakowsky, no. Mr. Gonzalez?

10540 Mr. {Gonzalez.} No.

10541 The {Clerk.} Mr. Gonzalez, no. Mr. Inslee?

10542 Mr. {Inslee.} No.

10543 The {Clerk.} Mr. Inslee, no. Ms. Baldwin?

10544 Ms. {Baldwin.} No.

10545 The {Clerk.} Ms. Baldwin, no. Mr. Ross?

10546 [No response.]

10547 The {Clerk.} Mr. Weiner?

10548 Mr. {Weiner.} No.

10549 The {Clerk.} Mr. Weiner, no. Mr. Matheson?

10550 [No response].

10551 The {Clerk.} Mr. Butterfield?

10552 Mr. {Butterfield.} No.

10553 The {Clerk.} Mr. Butterfield, no. Mr. Melancon?

10554 [No response.]

10555 The {Clerk.} Mr. Barrow?

10556 [No response.]

10557 The {Clerk.} Mr. Hill?

10558 Mr. {Hill.} No.

10559 The {Clerk.} Mr. Hill votes no. Ms. Matsui?

10560 Ms. {Matsui.} No.

10561 The {Clerk.} Ms. Matsui, no. Mrs. Christensen?

10562 Ms. {Christensen.} No.

10563 The {Clerk.} Mrs. Christensen, no. Ms. Castor?

10564 Ms. {Castor.} No.

10565 The {Clerk.} Ms. Castor votes no. Mr. Sarbanes?

10566 Mr. {Sarbanes.} No.

10567 The {Clerk.} Mr. Sarbanes, no. Mr. Murphy of

10568 Connecticut?

10569 Mr. {Murphy of Connecticut.} No.

10570 The {Clerk.} Mr. Murphy, no. Mr. Space?

10571 Mr. {Space.} No.

10572 The {Clerk.} Mr. Space, no. Mr. McNerney?

10573 Mr. {McNerney.} No.

10574 The {Clerk.} Mr. McNerney votes no. Ms. Sutton?
10575 Ms. {Sutton.} No.
10576 The {Clerk.} Ms. Sutton, no. Mr. Braley?
10577 Mr. {Braley.} No.
10578 The {Clerk.} Mr. Braley, no. Mr. Welch?
10579 Mr. {Welch.} No.
10580 The {Clerk.} Mr. Welch, no. Mr. Barton?
10581 Mr. {Barton.} Aye.
10582 The {Clerk.} Mr. Barton, aye. Mr. Hall?
10583 Mr. {Hall.} Aye.
10584 The {Clerk.} Mr. Hall votes aye. Mr. Upton?
10585 Mr. {Upton.} Aye.
10586 The {Clerk.} Mr. Upton, aye. Mr. Stearns?
10587 [No response.]
10588 The {Clerk.} Mr. Deal?
10589 Mr. {Deal.} Aye.
10590 The {Clerk.} Mr. Deal, aye. Mr. Whitfield?
10591 Mr. {Whitfield.} Aye.
10592 The {Clerk.} Mr. Whitfield, aye. Mr. Shimkus?
10593 Mr. {Shimkus.} Aye.
10594 The {Clerk.} Mr. Shimkus, aye. Mr. Shadegg?
10595 Mr. {Shadegg.} Aye.
10596 The {Clerk.} Mr. Shadegg, aye. Mr. Blunt?
10597 Mr. {Blunt.} Aye.

10598 The {Clerk.} Mr. Blunt, aye. Mr. Buyer?
10599 Mr. {Buyer.} Aye.
10600 The {Clerk.} Mr. Buyer, aye. Mr. Radanovich?
10601 [No response.]
10602 The {Clerk.} Mr. Pitts?
10603 Mr. {Pitts.} Aye.
10604 The {Clerk.} Mr. Pitts, aye. Ms. Bono Mack?
10605 Ms. {Bono Mack.} Aye.
10606 The {Clerk.} Ms. Bono Mack, aye. Mr. Walden?
10607 Mr. {Walden.} Aye.
10608 The {Clerk.} Mr. Walden, aye. Mr. Terry?
10609 Mr. {Terry.} Aye.
10610 The {Clerk.} Mr. Terry, aye. Mr. Rogers?
10611 Mr. {Rogers.} Aye.
10612 The {Clerk.} Mr. Rogers, aye. Mrs. Myrick?
10613 Ms. {Myrick.} Aye.
10614 The {Clerk.} Mrs. Myrick, aye. Mr. Sullivan?
10615 [No response.]
10616 The {Clerk.} Mr. Murphy of Pennsylvania?
10617 [No response.]
10618 The {Clerk.} Mr. Burgess?
10619 Mr. {Burgess.} Aye.
10620 The {Clerk.} Mr. Burgess votes aye. Ms. Blackburn?
10621 Ms. {Blackburn.} Aye.

10622 The {Clerk.} Ms. Blackburn votes aye. Mr. Gingrey?
10623 Mr. {Gingrey.} Aye.
10624 The {Clerk.} Mr. Gingrey, aye. Mr. Scalise?
10625 Mr. {Scalise.} Aye.
10626 The {Clerk.} Mr. Scalise, aye. Mr. Boucher?
10627 Mr. {Boucher.} No.
10628 The {Clerk.} Mr. Boucher votes no. Mr. Matheson?
10629 Mr. {Matheson.} No.
10630 The {Clerk.} Mr. Matheson votes no. Mr. Pallone?
10631 Mr. {Pallone.} No.
10632 The {Clerk.} Mr. Pallone votes no. Mr. Melancon?
10633 Mr. {Melancon.} No.
10634 The {Clerk.} Mr. Melancon votes no. Mr. Ross?
10635 Mr. {Ross.} No.
10636 The {Clerk.} Mr. Ross votes no. Mr. Barrow? I
10637 apologize.
10638 Mr. {Barrow.} No.
10639 The {Clerk.} Votes no.
10640 Mr. {Upton.} They are coming for you guys. I hear them
10641 in the hallway.
10642 The {Clerk.} Mr. Barrow votes no. I am sorry. Mr.
10643 Barrow votes aye. I apologize. Mr. Sullivan?
10644 Mr. {Sullivan.} Aye.
10645 The {Clerk.} Mr. Sullivan votes aye.

10646 The {Chairman.} Have all members responded to the call
10647 of the roll? Any member wish to change his or her vote? If
10648 not, we will tally the vote.

10649 The {Clerk.} Anyone else? Okay. On that vote, Mr.
10650 Chairman, the ayes were 21. The nays were 34.

10651 The {Chairman.} Twenty-one ayes, 34 no's, the amendment
10652 is not agreed to. Ms. Baldwin, for what purpose do you seek
10653 recognition?

10654 Ms. {Baldwin.} Mr. Chairman, I would like to an
10655 amendment of the desk I would like to offer actually four
10656 amendments en banc in the interest of moving things forward.

10657 The {Chairman.} Four amendments, are all these
10658 amendments to this title?

10659 Ms. {Baldwin.} They are all as I understand all
10660 amendments to this title and all have been filed the
10661 requisite amount of time. May I announce which four they
10662 are?

10663 The {Chairman.} Yes, please.

10664 Ms. {Baldwin.} All right. Baldwin 55, Inslee 46, Rush,
10665 Low Income Energy Efficiency Grant Program and Schakowsky,
10666 Office of Consumer Advocacy.

10667 The {Chairman.} Is there objection to offering these
10668 amendments en banc? Hearing none, that will be the order the
10669 Clerk will report each of the amendments.

10670 The {Clerk.} Amendment to the amendment in the nature
10671 of a substitute offered by Ms. Baldwin. On page 35.

10672 The {Chairman.} Without objection, that amendment will
10673 be considered as read. What is the next amendment?

10674 [The amendments follow:]

10675 ***** INSERT 13 *****

|

10676 The {Clerk.} Amendment offered by Mr. Inslee of
10677 Washington.

10678 The {Chairman.} Without objection, that amendment will
10679 be considered as read.

10680 [The amendment follows:]

10681 ***** INSERT 14 *****

|

10682 The {Clerk.} Amendment offered by Mr. Rush of Illinois.

10683 The {Chairman.} Without objection, that amendment will

10684 be considered as read.

10685 [The amendment follows:]

10686 ***** INSERT 15 *****

|
10687 The {Clerk.} And an amendment to the amendment to be
10688 offered by Ms. Schakowsky of Illinois.

10689 The {Chairman.} Without objection, that amendment will
10690 be considered as read.

10691 [The amendment follows:]

10692 ***** INSERT 16 *****

|
10693 The {Chairman.} Ms. Baldwin, the chair recognizes you
10694 for five minutes and you may then yield to the other authors.

10695 Mr. {Buyer.} Mr. Chairman, may we dispense until we get
10696 the amendments? There are four of them. I just ask for a
10697 moment, please.

10698 The {Chairman.} Okay. Let us have all of the
10699 amendments distributed.

10700 Mr. {Buyer.} Thank you, Mr. Chairman.

10701 The {Chairman.} They are on the way. The chair
10702 recognizes the gentlelady from Michigan.

10703 Ms. {Baldwin.} Wisconsin.

10704 The {Chairman.} Wisconsin.

10705 Ms. {Baldwin.} Thank you, Mr. Chairman. The amendment
10706 that I am offering ensures that solar water heating and solar
10707 light type technology qualify as energy efficiency
10708 technologies when FERC prescribes standards and protocols for
10709 defining and measuring electricity savings under the new
10710 combined efficiency and renewable electricity standards.
10711 Solar light pipe technology is energy technology that
10712 displaces energy demand in a way that can be accurately
10713 verified. The Energy Independence and Security Act describes
10714 the energy derived from solar light technology as direct
10715 solar renewable energy. These technologies present a

10716 relatively new and effective way to provide emissions-free
10717 energy. The light pipes like the ones constructed at Orion
10718 Energy Systems in Manitowoc, Wisconsin use direct solar
10719 energy to illuminate the inside of buildings thus eliminating
10720 the need for electrical light fixtures during many daylight
10721 hours. This results in maximizing available energy savings
10722 and significantly reducing carbon emissions saving U.S.
10723 companies millions of dollars every year. Equally important,
10724 the construction and the installation of solar light pipe
10725 technology would support thousands of good paying jobs. By
10726 including solar light pipe technology and other direct solar
10727 renewable energy in the bill, countless companies will be
10728 provided an opportunity to utilize this technology. With
10729 that, I would yield time to Mr. Inslee to discuss his
10730 amendment.

10731 Mr. {Inslee.} Thank you. We have a small, hopefully
10732 non-controversial amendment which would authorize the
10733 national bioenergy partnership. This is an existing program.
10734 It has never been authorized. These programs essentially are
10735 administered by use of the governors' offices nationally.
10736 They help the distribution of information both for
10737 development of technologies in bioenergy and for marketing.
10738 This is a wonderful little program that helps small
10739 businesses get up to scale in the development of bioenergy.

10740 That includes cellulosic feedstock research in development of
10741 low carbon biofuels. It includes technical assistance for
10742 deployment of methane digesters and biogas generators, and
10743 sustainability research on woody biomass harvesting and wood
10744 pellet fuels. It is a great program. It has limped along.
10745 This would authorize it and allow us to get it going on a
10746 full-time and consistent basis. Thank you.

10747 Ms. {Baldwin.} I would now yield time to Mr. Rush to
10748 describe his amendment.

10749 Mr. {Rush.} I thank the gentlelady. Mr. Chairman, this
10750 program, the Low Income Community Energy Efficiency Program
10751 is a vital program that authorizes the Secretary of Energy to
10752 make grants to private nonprofit mission village community
10753 development organizations. These organizations may include
10754 community development corporation and community development
10755 financial institutions that will provide financing to
10756 businesses and projects who include energy efficiency.
10757 Additionally, this funding would help identify and develop
10758 alternative and renewable and disseminate energy supplies,
10759 provide and promote job and business opportunity for low
10760 income residents and increase energy and conservation in low
10761 income and rural and urban communities. These grants will
10762 also provide capital to minority-owned and women-owned
10763 businesses and in financing entrepreneurial in creating new

10764 jobs, new technology and economic development opportunities
10765 in communities that are far too often overlooked. Mr.
10766 Chairman, this program is vital and it brings capital to
10767 communities that I represent. I yield back.

10768 Ms. {Baldwin.} I would now yield time to Ms. Schakowsky
10769 to describe her amendment.

10770 Ms. {Schakowsky.} This amendment really is for the
10771 little guy. It would establish an office of consumer
10772 advocacy within the Federal Energy Regulatory Commission, an
10773 office that would represent the interest of America's energy
10774 consumers. For too long, no one at the federal level has
10775 been watching for abusive rate hikes on consumers,
10776 particularly on senior citizens and small businesses. Most
10777 States already have established offices of consumer advocacy
10778 to standup for the ratepayer. Consumers have faced higher
10779 prices and limited, if any, choices. State consumer advocacy
10780 offices have worked diligently to protect consumers, however
10781 they have limited resources. In addition, because so much
10782 energy activity is interstate in nature and so much of the
10783 energy business has moved interstate, the State advocate
10784 offices are not sufficient. The office created by my
10785 amendment would collect data, investigate services and rates,
10786 monitor and review customer complaints and represent
10787 customers before the commission in other proceedings. Also,

10788 it would publicly disseminate information and issue reports
10789 and recommendations. In addition, the amendment would
10790 establish an advisory committee to that office that would
10791 review rates, services and disputes and make recommendations.
10792 The committee would include State utility consumer advocates
10793 to ensure that consumers are protected at the State and
10794 federal level. The advisory committee would also include a
10795 nongovernmental consumer advocate. A federal energy consumer
10796 advocate would be an independent watchdog over a variety of
10797 important issues that come before the FERC and before other
10798 agencies. This amendment was drafted in consultation with
10799 FERC so it doesn't duplicate any of its other services and it
10800 will provide essential protection for consumers. I urge
10801 adoption of the amendment.

10802 Ms. {Baldwin.} Mr. Chairman, I yield back my remaining
10803 time.

10804 The {Chairman.} Time has expired. Mr. Barton.

10805 Mr. {Barton.} Mr. Chairman, at the appropriate time I
10806 am going to move to divide the question. You got four
10807 amendments that have been offered en banc. We didn't object
10808 to that but on review of the four amendments, the Minority is
10809 willing to accept the Rush amendment and the Baldwin
10810 amendment and we think that they are either meritorious or at
10811 least innocuous so that we can accept them. But on the

10812 Inslee amendment and the Schakowsky amendment, the Inslee
10813 amendment is authorization earmarking which I thought members
10814 on both sides of the aisle were opposed to and the Schakowsky
10815 amendment is duplicative because 40 States already have
10816 consumer advocates and it is very unclear how adding a
10817 national consumer advocate in the office of the Federal Power
10818 Commission would do anything but muck-up the waters.

10819 The {Chairman.} Will the gentleman yield to me?

10820 Mr. {Barton.} Be happy to yield.

10821 The {Chairman.} Let me put unanimous consent that the
10822 committee consider the Rush and Baldwin amendments en banc
10823 separately from the Inslee and Schakowsky amendment and if
10824 that is without objection that will be the order. And I
10825 would like to now put the question for the Rush and Baldwin
10826 amendments. All those in favor of those two amendments say
10827 aye, opposed no. The ayes have it and the two amendments are
10828 agreed to. Now, we have the Inslee and Schakowsky amendment
10829 to be considered together. Do you wish to speak against
10830 those amendments or are you ready for the vote?

10831 Mr. {Barton.} Well, I have spoken against them.

10832 The {Chairman.} Okay.

10833 Mr. {Barton.} I will yield back my time but there may
10834 be other speakers who wish to speak to them.

10835 The {Chairman.} Any further discussion of it? If not,

10836 yes.

10837 Mr. {Shimkus.} Mr. Chairman, my comments will be
10838 directed initially to the Schakowsky amendment and I am
10839 trying to get this straight. We are going to setup an office
10840 in the FERC that is designed to hear consumer complaints
10841 against utilities that have raised rates because of this
10842 bill. That is what we are doing? We are setting up an
10843 office in the FERC to hear the little guy's complaints about
10844 the raised rates by the utilities who are passing on the rate
10845 increase because of the cap and tax bill. So we are going to
10846 go after the utilities for which we have charged this and
10847 that is what this federal agency and we have had a lot of
10848 talk about the Public Utility Commissions in the States which
10849 are supposed to be doing that. And all throughout the day
10850 you all said don't worry, we have got the Public Utility
10851 Commissions for the States there protecting the little guy
10852 but now we have to have a federal office to do the same
10853 thing. And then in reading the text of this, bring
10854 complaints on behalf, represent and appeal on behalf of
10855 energy customers on matters concerning rates or service of
10856 public utilities and natural gas companies under the
10857 jurisdiction of the commission. So we agree rates are going
10858 to go up. We agree there are going to be complaints. Now,
10859 we are going to have a federal commission to go after the

10860 utilities who have raised rates because of this bill. I
10861 oppose this amendment. I yield back.

10862 The {Chairman.} The gentleman yields back his time.
10863 Ms. Schakowsky.

10864 Ms. {Schakowsky.} Well, I would like to just let the
10865 gentleman know what the Federal Energy Regulatory Commission
10866 does among other things. Approves the citing and abandonment
10867 of interstate natural gas pipelines and storage facilities,
10868 ensures the safe operation and reliability of proposed and
10869 operating LNG terminals, ensures the reliability of high
10870 voltage interstate transmission systems, monitors and
10871 investigates energy markets, uses civil penalties and other
10872 means against energy organizations and individuals who
10873 violate FERC rules and energy markets. For example, the FERC
10874 was involved in a California electricity crisis investigating
10875 allegations of electricity market manipulation by Enron and
10876 other energy companies. So there is a wide variety of
10877 activities where those of you who have been wanting to look
10878 out for the little guy, we setup really a consumer advocacy
10879 office within the Federal Energy Regulatory Commission on all
10880 these matters. A place for the consumer to go when they have
10881 a problem with things that are under the jurisdiction of FERC
10882 which are beyond rates but it could be about abusive rate
10883 hikes on consumers and we provide a place where we have

10884 special advocacy for the little guy. And I would say that it
10885 is completely in line with the arguments that you are making
10886 and something that you ought to, everyone ought to support.

10887 Thank you.

10888 Mr. {Inslee.} Again, yield to me, would you?

10889 Ms. {Schakowsky.} And I would like to yield then to Mr.
10890 Inslee.

10891 Mr. {Inslee.} I want to briefly respond to Mr. Barton's
10892 comment. He suggested that the biofuels partnership
10893 amendment I have offered is somehow an earmark. I can't
10894 understand that argument. This is about as far as an earmark
10895 as you can get. This program, it exists in all 50 States.
10896 It is administered by the, largely by the governors
10897 association. It will not go to any particular district. If
10898 I was going to do an earmark, it would go mostly to Mr.
10899 Doyle's district so I could perhaps get a baseball game this
10900 year because he is a coach. So I just want to assure my
10901 comrades-in-arms that this is not an earmark. It is an
10902 authorization. We should pass it.

10903 Mr. {Barton.} Will the gentleman yield?

10904 Mr. {Inslee.} Certainly.

10905 Mr. {Barton.} What is the Pacific Regional Biomass
10906 Energy Partnership led by the Washington State University
10907 Energy Program, if that is not an authorization earmark?

10908 Mr. {Inslee.} Well, that program basically serves
10909 essentially the whole country and I will take a long time to
10910 explain this.

10911 Mr. {Barton.} But that is an earmark.

10912 Mr. {Inslee.} Well no, it is not because it services
10913 the whole country.

10914 Mr. {Barton.} Washington State University Energy
10915 Program is not an authorization? That is who is going to
10916 lead it.

10917 Mr. {Inslee.} If you would excuse me, let me answer
10918 your question. This bill, there are five centers of
10919 partnerships. One is called CONEG. It serves Connecticut,
10920 Delaware, Maine, Maryland, Massachusetts, New Hampshire, New
10921 Jersey, New York, Pennsylvania, Rhode Island and Vermont.
10922 The second is the Council of Great Lakes Governors. It
10923 serves Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio and
10924 Wisconsin. The third is the Southern States Energy Board
10925 that serves Alaska, excuse me, Alabama, Arkansas, District of
10926 Columbia, Florida, Georgia. I won't list the rest of them.
10927 The fourth is the Western Governors Association. It services
10928 Arizona, California, Colorado, Kansas, Nebraska, Nevada, New
10929 Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah
10930 and Wyoming. And the fifth is the Pacific Regional Biomass
10931 Energy Partnership led by the WSU, Washington State

10932 University Cougars energy program. It serves Alaska, Hawaii,
10933 Idaho, Oregon, Montana and Washington. If this is an
10934 earmark, every single thing we have authorized including the
10935 DOD budget that serves all 50 states is an earmark. Come up
10936 with some good argument here.

10937 Mr. {Barton.} That is an argument. Then you should
10938 remove the names and setup a regional national bioenergy
10939 partnership and dictate the five regions of the country. You
10940 are earmarking.

10941 The {Chairman.} The gentleman, the time is in the hands
10942 of Ms. Schakowsky. Do you wish to yield or yield back your
10943 time or I know Mr. Blunt is seeking recognition. Without
10944 objection, the time will be yielded back and Mr. Blunt is
10945 recognized.

10946 Mr. {Blunt.} Mr. Chairman, we have heard all day how
10947 people don't need to be worried about unemployment. We don't
10948 need to be worried about utility rates. We don't need to be
10949 worried about the residential utility rates. We don't need
10950 to be worried about gas and now we find we have got to have a
10951 whole new regiment to be concerned about all of those things.
10952 But I will yield the time to Mr. Barton.

10953 Mr. {Barton.} I just want to point out there may be one
10954 positive reason to put the Schakowsky consumer advocate at
10955 the FERC. The current chairman that has been appointed by

10956 President Obama has publicly stated that he opposes any new
10957 nuclear power, any new coal-fired power generation and that
10958 in his opinion we can meet the electricity needs of America
10959 purely by conservation. So perhaps we need a consumer
10960 advocate in the FERC to protect the country against the
10961 chairman of the FERC. That might be one reason to support
10962 this amendment.

10963 The {Chairman.} Does the gentleman yield back the time
10964 or that you yield to Mr. Shadegg?

10965 Mr. {Barton.} Oh I yield. Mr. Shadegg, I yield.

10966 Mr. {Shadegg.} Well, I have a question. Apparently,
10967 there is some confusion about the meaning of the language on
10968 pages one, line 17 through 19, and page two, line one through
10969 three. I would like to ask counsel. It says that this
10970 office may bring complaints on behalf of and represent an
10971 appeal on behalf of energy customers on matters concerning
10972 rates or service of public utilities and natural gas
10973 companies under the jurisdiction of the commission. My
10974 question of counsel is does this mean that this office could
10975 bring a complaint on behalf of a customer who gets
10976 electricity from, for example, the Western Power Authority
10977 which has generation capacity in the western United States
10978 and which sells electricity throughout the western United
10979 States and transmit that over power lines in the western

10980 United States and I believe is under the jurisdiction of what
10981 is referred to here as the commission meaning FERC. Is that
10982 correct?

10983 {Counsel.} I apologize. I was finding a copy of the
10984 amendment as you were citing the page and line numbers.

10985 Mr. {Shadegg.} Page one, line 17 through 19, page two,
10986 lines one through three. Who are the consumers on behalf of
10987 whom the office may bring these complaints and against whom
10988 may they be brought?

10989 {Counsel.} This intended office would represent the
10990 consumers with the Natural Gas Act, the Federal Power Act was
10991 enacted to protect. As both those statutes have a
10992 fundamental purpose of consumer protection those are the
10993 consumers who are served by the regulated entities regulated
10994 by the Federal Energy Regulatory Commission under those
10995 statutes.

10996 Mr. {Shadegg.} And if they are already protected by the
10997 Arizona Corporation Commission or if they are already
10998 protected by the residential utility consumer organization in
10999 the State of Arizona, is there anything in this Act which
11000 stops them from bringing a duplicate consumer protection
11001 action against those entities?

11002 {Counsel.} This entity would only work in the
11003 proceedings conducted at FERC for FERC regulated entities and

11004 FERC does not have duplicate proceedings with the Arizona
11005 Public Service Commission or other State commissions
11006 regulating the State regulated utilities.

11007 Mr. {Shadegg.} Okay. So then who are the consumers
11008 that this is referring to or the customers, the energy
11009 customers?

11010 {Counsel.} It might well be Arizona public service
11011 company paying a wholesale rate for power that is under a
11012 FERC regulated wholesale tariff.

11013 Mr. {Shadegg.} So it would allow an Arizona public
11014 service company, a regulated utility, to have a matter
11015 brought by this office on its behalf against Wafa?

11016 {Counsel.} In general, Arizona public service
11017 represents itself and doesn't need this office but.

11018 Mr. {Shadegg.} Well, I guess I am trying to figure out
11019 who does need this office? I appreciate that point. Can you
11020 give me an example of a consumer, a small business or a
11021 residence that would be able to take advantage of this
11022 language?

11023 {Counsel.} Certainly that would be up to this office to
11024 determine what they perceive to be the consumer interest in
11025 any particular proceeding and to the extent they identified
11026 that interest, to represent it.

11027 Mr. {Shadegg.} Well, it says on behalf of energy

11028 customers on matters concerning rates or service of public
11029 utilities and national gas companies under the jurisdiction
11030 of the commission. I guess my question to you is are any
11031 small businesses or residences customers of public utilities
11032 and natural gas companies under the jurisdiction of the
11033 commission or are only utilities and gas pipelines customers
11034 of those utilities under the jurisdiction of the commission?

11035 The {Chairman.} Will the gentleman yield on that point?

11036 Mr. {Shadegg.} I would like to get counsel's answer and
11037 then I would be happy to yield.

11038 {Counsel.} The consumer's interests are represented at
11039 the commission in a number of ways and a number of parties
11040 participate in the commission's proceedings as direct
11041 customers, as consumer interest groups and this office would
11042 be intended, as I understand the amendment, to identify what
11043 is perceived to be the consumer's interest in the same way
11044 that State consumer advocate's office attempt to do so and
11045 represent those interests in the proceedings of their
11046 commissions.

11047 Mr. {Shadegg.} I appreciate what you understand their
11048 intent is. I would be happy to yield to the Chairman. I
11049 would still like to hear the name of a small business or of a
11050 residential customer who could be represented.

11051 The {Chairman.} The FERC handles the wholesale power

11052 and in California business and consumers were gauged by Enron
11053 Corporation and FERC took no action. Had this office been in
11054 place, the small business and the consumers in California
11055 could have gone to this office to seek some redress because
11056 FERC was not responding.

11057 Mr. {Shadegg.} And those individuals are customers of a
11058 utility under the jurisdiction of the commission as this?

11059 The {Chairman.} Yes, that is my understanding.

11060 Mr. {Shadegg.} Thank you. I yield back.

11061 The {Chairman.} Are we ready now for the vote on the
11062 Inslee and Schakowsky amendment?

11063 Mr. {Terry.} Mr. Chairman, I have a question on the
11064 Schakowsky amendment. Does the customer consumer advocate
11065 have what would the real powers do in representing them?
11066 Would they be able to help the consumer with lawsuits? Would
11067 they be able to help overturn a FERC decision? I am going to
11068 ask counsel.

11069 Ms. {Schakowsky.} Would the gentleman yield for just
11070 minute?

11071 Mr. {Terry.} Sure.

11072 Ms. {Schakowsky.} I think I can answer and give you
11073 some examples, for example that might answer your question.
11074 The FERC has collected over \$6.3 billion from California
11075 Electric market participants by facilitating settlements.

11076 FERC is also working with Canadian energy officials to
11077 facilitate processing of a proposed Alaskan natural gas
11078 pipeline which would bring natural gas from Alaska's north
11079 slope to the lower 48. As I mentioned earlier, was involved
11080 in the California electricity crisis investigating
11081 allegations. This would be an example of an investigation of
11082 electricity market manipulation by Enron and other energy
11083 consumers. So they were able to take their case to the FERC
11084 that then did the investigation, just examples.

11085 Mr. {Terry.} But they wouldn't, the advocate wouldn't
11086 have the power to develop a lawsuit on behalf of the consumer
11087 against Enron?

11088 Ms. {Schakowsky.} All of these activities take place in
11089 front of the Federal Energy Regulatory Commission.

11090 Mr. {Terry.} How about decisions by FERC? For example,
11091 if we pass an amendment here giving FERC citing power on
11092 transmission lines, can a consumer that would be impacted
11093 hire or go to the consumer advocate to get FERC to overturn
11094 that or find out a way to sue FERC to overturn that. Go
11095 ahead. We'll have Janice or counsel.

11096 {Counsel.} Consumer advocacy offices as they operate in
11097 the States where they operate, attempt to identify the
11098 general consumer interest.

11099 Mr. {Terry.} How would it operate here under the

11100 wording of this amendment?

11101 {Counsel.} Well, they would essentially be in the place
11102 of another party before the commission in its proceedings
11103 representing the general consumer interest rather than the
11104 specific interest of any particular party that is represented
11105 in those proceedings.

11106 Mr. {Terry.} So for example, with LNG citing where FERC
11107 would have permitting priority, the community was heard once,
11108 FERC decided differently. Can the community or its
11109 constituents then hire the advocate to then advocate for them
11110 against FERC even though they already had a shot for that at
11111 a proceeding, a prior proceeding?

11112 {Counsel.} Well, they would be subject to the same
11113 procedural rules as any other party. They would not get two
11114 bites at any particular decision and they would not represent
11115 individual consumers. They would not be hired by the
11116 consumers. They would be public servants working in the
11117 commission to identify the general consumer interest and
11118 assure that it was represented to the commission for the
11119 commission's decision making.

11120 Mr. {Barton.} Would the gentleman yield?

11121 Mr. {Terry.} Yes, I would yield to the gentleman.

11122 Mr. {Barton.} Under current law in electricity, FERC
11123 has jurisdiction over wholesale transactions in interstate

11124 commerce, wholesale transactions in interstate commerce for
11125 electricity. You are going to setup a consumer advocates
11126 office that would be a consumer advocate for large power
11127 companies and States that engage in wholesale electricity
11128 transactions across State lines. Retail rates and retail
11129 transactions are regulated if at all at the State level by
11130 the State PUC commission.

11131 Mr. {Whitfield.} Will the gentleman yield?

11132 Mr. {Terry.} Claim back my time. Yield to the
11133 gentleman from Kentucky.

11134 Mr. {Whitfield.} Also, on page two when it talks about
11135 the responsibilities of this advocate representing the
11136 consumer at hearings of the commission and judicial
11137 proceedings, that the way I read it is that they also would
11138 have the authority to represent consumers at hearings or
11139 proceedings of other federal regulatory agencies and
11140 commissions which I would interpret to mean any federal
11141 agency in the federal government. How would you interpret
11142 that on page two on line nine?

11143 {Counsel.} That is what the language says.

11144 Mr. {Whitfield.} And so this would not be applicable
11145 only to FERC. This would be applicable to any federal agency
11146 or commission?

11147 {Counsel.} Well, I would interpret that as meaning that

11148 to the extent a FERC proceeding or a FERC issue were picked
11149 up at another federal agency such as for example if a gas
11150 market issue became an issue at the consumer.

11151 Mr. {Whitfield.} Well, you know, once again we get down
11152 to judicial interpretation because the language clearly
11153 states at hearings or proceedings of other federal regulatory
11154 agencies and commissions.

11155 The {Chairman.} The time has expired. Is there further
11156 debate? Who seeks recognition? Yes, Mr. Buyer.

11157 Mr. {Buyer.} Mr. Chairman, move to strike the last
11158 word. I would ask my friend from Washington a question
11159 because I am trying to as I read your amendment, I mean I
11160 read this and this is something that I think is good. If we
11161 want to really engage and support the private sector got
11162 institutional physical infrastructure necessary to promote,
11163 development, sustainable biomass fuels, bioenergy
11164 technologies, I don't have problems with that at all, Jay. I
11165 just don't understand how you could have voted against the
11166 Walden amendment and then offer this amendment so help me
11167 understand. I am out in the Midwest. We have corn. I don't
11168 have forests. So help me understand how you could when Mr.
11169 Walden sought to help me reconcile that. How do you vote
11170 against Walden and then offer this amendment?

11171 Mr. {Inslee.} Well, there are certain questions you

11172 probably wish you hadn't asked and I think if you give me
11173 your last four minutes you will probably decide you wouldn't
11174 want to ask that question but the answer is that my friends
11175 across the aisle seem so enamored with benchmarks now but I
11176 don't remember them saying that you were going to put
11177 benchmarks when the Bush.

11178 Mr. {Buyer.} Wait a second.

11179 Mr. {Inslee.} Well now, you asked me a question, if you
11180 would like me to answer it, I will answer it. Would you like
11181 me to answer the question?

11182 Mr. {Buyer.} Yeah, I don't think it has anything to do
11183 with benchmarks.

11184 Mr. {Inslee.} Well, you asked me a question, friend,
11185 and if you would like me to answer it, I will, and if you
11186 want to go home and take a vote on this, I will do that.
11187 Which would you prefer?

11188 Mr. {Buyer.} Well then I will reclaim my time.

11189 Mr. {Inslee.} Fine with me.

11190 Mr. {Buyer.} I asked you a very simple question and you
11191 want to talk about benchmarks. I look at your amendment and
11192 go, Jay, your amendment makes sense. What I can't reconcile
11193 is how do you vote against Walden yet offer this amendment
11194 and so I'll ask that specific question.

11195 Mr. {Inslee.} If you will ask me and give me your

11196 remaining three minutes I will answer your question. And the
11197 reason is your benchmarks are so outside of the realm of the
11198 way you make legislation. Let me give you an example. When
11199 we had the Enron crisis and we went on a bipartisan basis to
11200 the Bush administration asking them to solve this problem for
11201 the little guy whose rates went up a thousand percent in the
11202 West Coast. And we went to Vice President Dick Cheney and we
11203 pleaded with him to do something about it. Mr. Vice
11204 President, please set a benchmark that if the rates remain so
11205 outrageous that you will do something about it. We didn't
11206 get any benchmarks from the Republican administration to do
11207 anything about the Enron situation. When we had the Bush tax
11208 cuts.

11209 Mr. {Buyer.} All right. I reclaim my time. I don't
11210 know what the hell Bush tax cuts and Enron have to do with
11211 this specific question.

11212 Mr. {Inslee.} What it has to do with it when you adopt
11213 legislation you don't try to predict the entire future. If
11214 you want benchmarks, I suppose we could put benchmarks in
11215 that if this does what we think it is going to do which is to
11216 create twice as many jobs as we even think it will, I am much
11217 more optimistic than many of my colleagues. If we put a
11218 benchmark in that if it creates more jobs that we will adopt
11219 a tougher cap, no because it is just too difficult to get the

11220 crystal ball out. All I know is we are going to have
11221 Congresses in the future if this thing goes sideways, future
11222 Congresses can deal with it. If it is better they can make
11223 it even tougher.

11224 Mr. {Buyer.} Let me reclaim my time. No, wait a
11225 second. This is my time. I still don't get it. I asked a
11226 very simple question. How do you reconcile voting against
11227 Walden and offer this amendment? I think this is a good
11228 amendment. I just can't, please close the door. I can't
11229 figure out how you vote against Walden and then offer this
11230 amendment. I look at this and say okay, my wife and I not
11231 long ago went from Denver and drove up towards Breckinridge
11232 onto Vale and I see when I come over the first ridge I see
11233 forests as far as the eye can see and it is dead. It is
11234 dead. At some point if that catches fire, Breckinridge is
11235 going to be gone and I look at that and say why can't we go
11236 in and go get that wood. And when I look at whoever drafted
11237 this and I listened to Mr. Stupak talking about this
11238 negotiation and, you know, Mr. Walden here came and he tried
11239 to provide a definition with regard to what is a mature
11240 forest stand and, Mr. Inslee, you voted against that. And
11241 then I look at this and say if you are so concerned with
11242 regard to protecting and maintaining institutional and
11243 physical infrastructure to promote the deployment of

11244 sustainable biomass, how could you have voted against what
11245 Mr. Walden was doing? That has nothing to do with Enron. It
11246 has nothing to do with Bush tax cuts.

11247 Mr. {Inslee.} Would you like me to answer your
11248 question?

11249 Mr. {Buyer.} Please.

11250 Mr. {Inslee.} When I go to the Wenatchee National
11251 Forest as I did last summer, places I have been going since I
11252 was six years old, there are thousands of acres of dead and
11253 dying trees because of a bud worm and it is caused by climate
11254 change because now the winters aren't cold enough. They are
11255 not cold enough to kill the beetles that are killing our
11256 trees. Now, one of the reasons I am voting against some of
11257 your amendments is I believe that they will not be of
11258 assistance to stop the thing that is killing the forest that
11259 both you and I love. That is the reason. It may not be good
11260 enough but I hope we can pass this little amendment that
11261 apparently we both agree on. Thank you.

11262 Mr. {Buyer.} Well that was more helpful, Jay. Thank
11263 you.

11264 The {Chairman.} The gentleman's time is expired. I
11265 would like to now proceed to a vote.

11266 Mr. {Walden.} Mr. Chairman.

11267 The {Chairman.} Yes.

11268 Mr. {Walden.} Mr. Chairman, I have a quick question for
11269 counsel if I might, please.

11270 The {Chairman.} Let me just ask how many members wish
11271 to speak on this amendment? One, two, three, I would like to
11272 request that we limit the time to three minutes each.

11273 Without objection, that will be the order.

11274 Mr. {Walden.} No, I reserve the right to object. In
11275 fact, I object. I don't know why.

11276 The {Chairman.} Okay. Mr. Deal is recognized. Are you
11277 willing to accept three minutes?

11278 Mr. {Deal.} Yes. Thank you. Counsel, I would like to
11279 go back to the Schakowsky amendment back to the section three
11280 under duties starting at line 17 on page one going through
11281 the bottom of page two, line 11. My first question is it
11282 talks about complaints being brought on behalf of energy
11283 customers on matters concerning rates and services of public
11284 utilities and natural gas companies. Are those currently
11285 subjects of litigation in Federal Court under current Law?

11286 {Counsel.} Under current Law in both the Natural Gas
11287 Act and the Federal Power Act, there are special provisions
11288 for complaints to be brought by consumers alleging that a
11289 natural gas company or a public utility's rates are unjust
11290 and unreasonable and the commission will then entertain such
11291 complaints. This provision would give this consumer advocacy

11292 office the same power as other representatives before FERC on
11293 that matter.

11294 Mr. {Deal.} Specifically looking at subparagraph I, it
11295 gives them the right for judicial proceedings in the Courts
11296 of the United States. Do they currently have the right to
11297 bring those complaints in judicial proceedings of the United
11298 States?

11299 {Counsel.} This gives me the opportunity to correct my
11300 prior answer in terms of which is clause three but it replies
11301 to clause I, too. The only instance in which this consumer
11302 advocacy office would appear in a judicial proceeding in the
11303 Court of the United States is under the subparagraph A
11304 language that restricts that to being on matters concerning
11305 rates or service of public utilities and natural gas
11306 companies under the jurisdiction of the commission. So to
11307 the extent that this consumer officer participated at the
11308 commission in a regulatory proceeding regarding a natural gas
11309 company or public utility, and that decision was appealed to
11310 Court, as frequently happens, the consumer office would be
11311 able to participate in the appeal as well. But it is
11312 restricted in the Courts and in the other federal agencies
11313 and commissions to those matters that are related to the
11314 rates and service of the utilities under the FERC
11315 jurisdiction. So it is limited. It would not bring a

11316 complaint directly in a Federal Court but if there were
11317 complaint proceeding at FERC that were appealed, it could
11318 continue to participate. It would not have to drop off.

11319 Mr. {Deal.} So we are not creating a new federal cause
11320 of action?

11321 {Counsel.} No.

11322 Mr. {Deal.} Only a question of who can act on behalf of
11323 whom.

11324 {Counsel.} This would allow this office to act on
11325 behalf of consumers through the entire process at FERC and
11326 beyond in an appeal.

11327 Mr. {Deal.} And you are saying that judicial
11328 proceedings would only be an appeal in effect of the initial
11329 rulemaking powers or the initial proceedings before the
11330 commission.

11331 {Counsel.} This language clearly limits this office to
11332 appearing in Federal Court only when it concerns rates or
11333 service of public utilities and natural gas companies under
11334 the jurisdiction of the commission.

11335 Mr. {Deal.} Thank you.

11336 The {Chairman.} Ms. Blackburn, are you willing to take
11337 three minutes or do you want your whole five?

11338 Ms. {Blackburn.} Mr. Chairman, my question was
11339 specifically about.

11340 The {Chairman.} I was going to recognize you. How much
11341 time do you want me to recognize you for?

11342 Ms. {Blackburn.} I can go with even less than three
11343 minutes. Thank you.

11344 The {Chairman.} Okay. I will recognize you for three
11345 minutes and if you give back some that is okay, too.

11346 Ms. {Blackburn.} Thank you. I appreciate that. My
11347 question dealt with the judicial proceedings and the
11348 clarification that Mr. Deal was just seeking and I appreciate
11349 having that. I think the only other question I would have
11350 for counsel is going down to line 17 of page two. See where
11351 it says investigate independently without duplicating any
11352 commission investigation or within the context of formal
11353 proceedings the services provided by the rates charged by and
11354 the valuation. So my concern would be and my question would
11355 be under this and could they instigate an investigation and
11356 then on behalf of a rate payer and then carry that
11357 investigation into a court and represent them from your
11358 reading from this?

11359 {Counsel.} My reading of the language is they could
11360 initiate a separate investigation of the services provided by
11361 the rates charged by the companies that FERC regulates. That
11362 is the limit of what they could investigate.

11363 Ms. {Blackburn.} Okay. And then carry that into a

11364 court, okay. All right. Thank you. Yield back.

11365 The {Chairman.} Mr. Walden, close the debate? I
11366 recognize you for five minutes.

11367 Mr. {Walden.} Thank you very much, Mr. Chairman. I
11368 want to speak in opposition to the Inslee amendment and I do
11369 so because of in part the issues raised by my colleague, Mr.
11370 Buyer. And I want to raise here, perhaps somebody may even
11371 if you want to hold this up. This is an example of what we
11372 are talking about. This is an overstock stand. It is in
11373 northern California and it is a stand that needs to be
11374 reduced in terms of the mass there to deal with fire risk.
11375 That is one strategy for adapting to a drier, warmer climate.
11376 Now, this photo was taken before the thinning took place.
11377 Now, let us go to the next one, please. This is what they
11378 are trying to get to and manage to. This is an old grove
11379 stand. All right. This is to adapt to climate change. This
11380 is according to the Pacific Northwest Research Station, their
11381 science update on how you adapt forest management. Now, part
11382 of the argument I am making, we can put that one down. This
11383 is what they are trying to manage to open up the stand. It
11384 allows the old growth trees to become healthier, survive bug
11385 infestation because they are not stressed. Indeed, if you
11386 have got climate change you have warmer temperatures, drier
11387 climate, more drought, more risk. My argument in my

11388 amendment and I will continue to offer various versions of it
11389 in the days and nights ahead, is it that material that they
11390 took out to get this stand in balance should count as
11391 renewable energy if it is put in some sort of devise that
11392 either turns it into a brick like this or a puck or is burned
11393 as pellets to heat a school like they are doing, well
11394 actually a hospital in Burns and a school in Enterprise.
11395 Now, let us go to the last one here. This is what you get
11396 when a fire goes through a forest. This is called a forest
11397 fire and the debris that is left, this is out in Hardy County
11398 where by the way they have more than 20 percent unemployment
11399 right now. There is a company, perhaps represented in this
11400 room that is interested in citing a biomass facility to take
11401 debris like this off the Malheur National Forest and burn it
11402 efficiently, cleanly. The EPA has looked at all of this.
11403 You can go find all the data on how they do this and produce
11404 electricity. What holds them back? They can't get a
11405 guarantee of supply off the Malheur National Forest. Even
11406 though it is a current rated treatment, the Malheur National
11407 Forest will take 28 years to catch up with the overstock
11408 stands, kind of like the ones I showed you in the first
11409 picture. Now, I guess with all due respect to my friend from
11410 Washington State, those folks don't need universities and
11411 others to go spend five million or whatever it is. They are

11412 ready to put people to work in a county that has got over 20
11413 percent seasonally unadjusted unemployment. This county, by
11414 the way, is if you lose your job in Burns, it is like driving
11415 from here to Philadelphia or from here to John Day to get a
11416 job. That is the nearest community. These are really rural
11417 areas. Okay. Surrounded by national forests that we are the
11418 stewards of and we are doing a crummy job of that stewardship
11419 and then you put in Law provisions that prevent these folks
11420 from taking the material has to come out to get in balance to
11421 deal with climate change and put it in a modern, efficient
11422 new technology, new energy device to produce electricity to
11423 heat a hospital and reduce our carbon emissions substantially
11424 because they are not using petroleum products now. All the
11425 things you say you want, you vote against and we get high
11426 unemployment and you get forest fires and we don't get ahead
11427 of the problem. The Wenatchee Forest is full of bug
11428 infestation. By the way, the material that would come off of
11429 that is they thin and take it out because that is a mature
11430 stand forest. It won't qualify as renewable energy. It
11431 won't qualify as a biofuel if they turn it into that so you
11432 don't create the incentives. You don't create the jobs.
11433 That is why I am impassioned about this. Come walk in our
11434 shoes.

11435 The {Chairman.} Will the gentleman yield for a

11436 question?

11437 Mr. {Walden.} Yes, certainly, sir.

11438 The {Chairman.} So you will vote against Mr. Inslee's
11439 proposal to setup a national bio energy partnership with five
11440 regions to try to bring the private sector and the government
11441 together?

11442 Mr. {Walden.} Right.

11443 The {Chairman.} Because we voted against you're
11444 amendment?

11445 Mr. {Walden.} No, that is not it and reclaiming my
11446 time. I will tell you why. I will tell you why. Because
11447 the answer he proposes is to go borrow \$5 million from
11448 somebody. We sure as God know doesn't have it. You are
11449 going to have to go borrow it. It is going to be more to the
11450 debt to create a whole new government and infrastructure
11451 system where frankly, we have got the material. You have got
11452 the private sector ready to invest. They will do the right
11453 thing for the forest, the ecology, the environment, the
11454 habitat, the jobs, reduce forest fires, do all the right
11455 things, create markets and put people to work and my time has
11456 expired.

11457 The {Chairman.} We will now proceed to a vote on the
11458 two amendments en banc offered by Mr. Inslee and Ms.
11459 Schakowsky and we will go right to a roll call vote. All of

11460 those in favor of the amendment will vote aye when their name
11461 is called. All those opposed will vote no.

11462 The {Clerk.} Mr. Waxman?

11463 The {Chairman.} Aye.

11464 The {Clerk.} Mr. Waxman votes aye. Mr. Dingell?

11465 Mr. {Dingell.} Aye.

11466 The {Clerk.} Mr. Dingell votes aye. Mr. Markey?

11467 Mr. {Markey.} Aye.

11468 The {Clerk.} Mr. Markey votes aye. Mr. Boucher?

11469 [No response.]

11470 The {Clerk.} Mr. Pallone?

11471 Mr. {Pallone.} Aye.

11472 The {Clerk.} Mr. Pallone, aye. Mr. Gordon?

11473 [No response.]

11474 The {Clerk.} Mr. Rush?

11475 Mr. {Rush.} Aye.

11476 The {Clerk.} Mr. Rush, aye. Ms. Eshoo?

11477 Ms. {Eshoo.} Aye.

11478 The {Clerk.} Ms. Eshoo, aye. Mr. Stupak?

11479 Mr. {Stupak.} Yes.

11480 The {Clerk.} Mr. Stupak, aye. Mr. Inslee?

11481 Mr. {Inslee.} Aye.

11482 The {Clerk.} I am sorry. Mr. Engel?

11483 Mr. {Engel.} Aye.

11484 The {Clerk.} Mr. Engel, aye. Mr. Green?
11485 Mr. {Green.} Mr. Green passes.
11486 The {Clerk.} Mr. Green passes. Ms. DeGette?
11487 Ms. {DeGette.} Aye.
11488 The {Clerk.} Ms. DeGette votes aye. Mrs. Capps?
11489 Ms. {Capps.} Aye.
11490 The {Clerk.} Mrs. Capps, aye. Mr. Doyle?
11491 Mr. {Doyle.} Yes.
11492 The {Clerk.} Mr. Doyle, aye. Ms. Harman?
11493 Ms. {Harman.} Aye.
11494 The {Clerk.} Ms. Harman, aye. Ms. Schakowsky?
11495 Ms. {Schakowsky.} Aye.
11496 The {Clerk.} Ms. Schakowsky, aye. Mr. Gonzalez?
11497 Mr. {Gonzalez.} Aye.
11498 The {Clerk.} Mr. Gonzalez, aye. Mr. Inslee?
11499 Mr. {Inslee.} Aye.
11500 The {Clerk.} Mr. Inslee, aye. Ms. Baldwin?
11501 Ms. {Baldwin.} Aye.
11502 The {Clerk.} Ms. Baldwin, aye. Mr. Ross?
11503 [No response.]
11504 The {Clerk.} Mr. Weiner?
11505 Mr. {Weiner.} Aye.
11506 The {Clerk.} Mr. Weiner, aye. Mr. Matheson?
11507 [No response.]

11508 The {Clerk.} Mr. Butterfield?
11509 Mr. {Butterfield.} Aye.
11510 The {Clerk.} Mr. Butterfield, aye. Mr. Melancon?
11511 [No response.]
11512 The {Clerk.} Mr. Barrow?
11513 Mr. {Barrow.} Aye.
11514 The {Clerk.} Mr. Barrow votes aye. Mr. Hill?
11515 Mr. {Hill.} Aye.
11516 The {Clerk.} Mr. Hill votes aye. Ms. Matsui?
11517 Ms. {Matsui.} Aye.
11518 The {Clerk.} Ms. Matsui, aye. Mrs. Christensen?
11519 Ms. {Christensen.} Aye.
11520 The {Clerk.} Mrs. Christensen, aye. Ms. Castor?
11521 Ms. {Castor.} Aye.
11522 The {Clerk.} Ms. Castor votes aye. Mr. Sarbanes?
11523 Mr. {Sarbanes.} Aye.
11524 The {Clerk.} Mr. Sarbanes, aye. Mr. Murphy of
11525 Connecticut?
11526 Mr. {Murphy of Connecticut.} Aye.
11527 The {Clerk.} Mr. Murphy votes aye. Mr. Space?
11528 Mr. {Space.} Aye.
11529 The {Clerk.} Mr. Space votes aye. Mr. McNerney?
11530 Mr. {McNerney.} Aye.
11531 The {Clerk.} Mr. McNerney votes aye. Ms. Sutton?

- 11532 Ms. {Sutton.} Aye.
- 11533 The {Clerk.} Ms. Sutton votes aye. Mr. Braley?
- 11534 Mr. {Braley.} Aye.
- 11535 The {Clerk.} Mr. Braley votes aye. Mr. Welch?
- 11536 Mr. {Welch.} Aye.
- 11537 The {Clerk.} Mr. Welch votes aye. Mr. Barton?
- 11538 Mr. {Barton.} No.
- 11539 The {Clerk.} Mr. Barton, no. Mr. Hall?
- 11540 Mr. {Hall.} No.
- 11541 The {Clerk.} Mr. Hall votes no. Mr. Upton?
- 11542 Mr. {Upton.} No.
- 11543 The {Clerk.} Mr. Upton, no. Mr. Stearns?
- 11544 Mr. {Stearns.} No.
- 11545 The {Clerk.} Mr. Stearns, no. Mr. Deal?
- 11546 Mr. {Deal.} No.
- 11547 The {Clerk.} Mr. Deal, no. Mr. Whitfield?
- 11548 Mr. {Whitfield.} No.
- 11549 The {Clerk.} Mr. Whitfield votes no. Mr. Shimkus?
- 11550 Mr. {Shimkus.} No.
- 11551 The {Clerk.} Mr. Shimkus, no. Mr. Shadegg?
- 11552 Mr. {Shadegg.} No.
- 11553 The {Clerk.} Mr. Shadegg, no. Mr. Blunt?
- 11554 Mr. {Blunt.} No.
- 11555 The {Clerk.} Mr. Blunt, no. Mr. Buyer?

11556 Mr. {Buyer.} No.

11557 The {Clerk.} Mr. Buyer, no. Mr. Radanovich?

11558 [No response.]

11559 The {Clerk.} Mr. Pitts?

11560 Mr. {Pitts.} No.

11561 The {Clerk.} Mr. Pitts votes aye. Ms. Bono Mack?

11562 Ms. {Bono Mack.} No.

11563 The {Clerk.} Ms. Bono Mack votes no. Mr. Walden?

11564 Mr. {Walden.} No.

11565 The {Clerk.} Mr. Walden, no. Mr. Terry?

11566 Mr. {Terry.} No.

11567 The {Clerk.} Mr. Terry, no. Mr. Rogers?

11568 Mr. {Rogers.} No.

11569 The {Clerk.} Mr. Rogers, no. Mrs. Myrick?

11570 Ms. {Myrick.} No.

11571 The {Clerk.} Mrs. Myrick, no. Mr. Sullivan?

11572 Mr. {Sullivan.} No.

11573 The {Clerk.} Mr. Sullivan, no. Mr. Murphy of

11574 Pennsylvania?

11575 Mr. {Murphy of Pennsylvania.} No.

11576 The {Clerk.} Mr. Murphy, no. Mr. Burgess?

11577 Mr. {Burgess.} No.

11578 The {Clerk.} Mr. Burgess, no. Ms. Blackburn?

11579 Ms. {Blackburn.} No.

11580 The {Clerk.} Ms. Blackburn, no. Mr. Gingrey?
11581 Mr. {Gingrey.} No.
11582 The {Clerk.} Mr. Gingrey, no. Mr. Scalise?
11583 Mr. {Scalise.} No.
11584 The {Clerk.} Mr. Scalise, no. Mr. Matheson?
11585 Mr. {Matheson.} Aye.
11586 The {Clerk.} Mr. Matheson votes aye. Mr. Green?
11587 Mr. {Green.} Aye.
11588 The {Clerk.} Mr. Green, aye. Mr. Melancon?
11589 Mr. {Melancon.} Aye.
11590 The {Clerk.} Mr. Melancon, aye. Mr. Ross?
11591 Mr. {Ross.} Aye.
11592 The {Clerk.} Mr. Ross, aye. I am sorry.
11593 The {Chairman.} Ms. Bono Mack wishes to respond to the
11594 roll.
11595 The {Clerk.} Ms. Bono Mack off, no and on, aye.
11596 The {Chairman.} Have all members responded to the roll?
11597 Any member wish to change his or her vote? If not, the Clerk
11598 will tally the vote.
11599 The {Clerk.} On that vote, Mr. Chairman, the ayes were
11600 36 and the nays were 20.
11601 The {Chairman.} Thirty-six ayes, 20 no's. The
11602 amendments are agreed to. Let me tell the members I think
11603 that you deserve a great deal of credit for the deliberation

11604 today. I think we have made a lot of progress and we still
11605 have quite a ways to go and I want to announce that we will
11606 now proceed to take one amendment on the Republican side and
11607 one amendment on the Democratic side to Title One, and then
11608 we will end for the evening. Tomorrow we will come back and
11609 we have been here I guess 12 and a half hours or at least 12
11610 hours since we started this morning. Tomorrow we will come
11611 back at 10:00. When we come back at 10:00, I will recognize
11612 a Democrat amendment and a Republican amendment on Title One.
11613 I would urge members to try to consolidate as many amendments
11614 as possible so that we can move as quickly as possible. And
11615 then I will recognize members in Title two and we will have
11616 amendments to Title Two for three or four hours and then we
11617 will move on from there. So I just wanted to alert the
11618 members to what my expectations would be for tomorrow.

11619 Mr. {Barton.} Mr. Chairman.

11620 The {Chairman.} Yes, Mr. Barton.

11621 Mr. {Barton.} I just want to ask a few questions on
11622 what you just said. Certainly, it is appropriate to try to
11623 consider amendments on other titles but I want to make sure
11624 that members that have amendments to Title One won't be
11625 precluded at some point in the markup from coming back to
11626 that title because we still have about 40 amendments to Title
11627 One.

11628 The {Chairman.} The members won't be precluded from
11629 offering amendments to Title One. As I indicated earlier,
11630 when we go by a title that doesn't close out amendments, it
11631 puts them off for later.

11632 Mr. {Barton.} Thank you, Mr. Chairman.

11633 The {Chairman.} Let me see. We now will recognize an
11634 amendment on the Republican side and, Ms. Blackburn, I
11635 believe you have an amendment at the desk. You are seeking
11636 recognition to offer an amendment and is that an amendment to
11637 Title One?

11638 Ms. {Blackburn.} Yes, Mr. Chairman, it is.

11639 The {Chairman.} And will the clerk inform us whether
11640 the amendment meets the time qualification?

11641 The {Clerk.} Yes it is, Mr. Chairman.

11642 The {Chairman.} The Clerk will report the amendment.

11643 The {Clerk.} Amendment offered by Ms. Blackburn in
11644 section one.

11645 [The amendment follows:]

11646 ***** INSERT 17 *****

|
11647 The {Chairman.} Without objection, the amendment will
11648 be considered as read and the chair recognizes the gentlelady
11649 from Tennessee, Ms. Blackburn.

11650 Ms. {Blackburn.} Thank you, Mr. Chairman, and this
11651 amendment has been distributed and is on the members desks.
11652 It deals with disclosure of cost and consumer bills and Mr.
11653 Upton joins me in this amendment. And we have had a lot of
11654 discussion today about needing to get information to
11655 consumers so that they will know what is in this legislation
11656 and the need. We just talked about the need for having a
11657 consumer advocate and protecting consumers. Well, this is a
11658 way that we can take a proactive step in making certain that
11659 consumers have the information that they need because they
11660 need to know. We all agree consumers ought to know when they
11661 are purchasing something what it costs them and what the
11662 price is for items that they are going to purchase. And the
11663 legislation that we have been talking about today with cap in
11664 trade, great discussion about whether we are going to see it
11665 yield a savings or whether it is going to yield a cost. And
11666 we know that our consumers potentially can see a significant
11667 increase in what they are paying for services. So these cost
11668 increases that are passed along to consumers and business in
11669 their utility bills, in their manufactured products, at the

11670 gas pumps, that will be reflected on their bill so that they
11671 will know what this legislation is costing them. And the
11672 amendment would require the EPA administrator to put forth
11673 regulations that would require the disclosure of all those
11674 items on the bills. Now, the amendment would require the
11675 administrator within six months of the date of enactment of
11676 this legislation to bring forth regulations that would
11677 require utilities, motor vehicles providers, manufacturers,
11678 food providers, be required to show the cost of compliance
11679 with the Waxman-Markey bill in each utility bill, at the fuel
11680 pump, on all of the manufactured products. Put it on the
11681 label. Put it on the food label so that consumers will know
11682 what the true cost is of this legislation. I think that this
11683 is the way to take a proactive step and get that information
11684 that consumers are going to want to know about the cost of
11685 enactment of the legislation. And at this time I will yield
11686 to Mr. Upton.

11687 Mr. {Upton.} Sorry. I just want to join in support of
11688 this. I would note that we do a lot of this in Michigan
11689 already. As I said a few hours ago, in Michigan when we
11690 passed the renewable portfolio standard mandate, our
11691 customers are going to know exactly what those costs are and
11692 I think that that is important for consumers across the
11693 country to know what this bill will cost them and I would

11694 like to think that we might be able to save a little time and
11695 pass this by voice. It is a good amendment and I join the
11696 good lady from Tennessee in support of it. I yield back to
11697 the gentlelady.

11698 Ms. {Blackburn.} I yield back my time.

11699 Mr. {Shadegg.} Will the gentlelady yield?

11700 Ms. {Blackburn.} I would be happy to yield.

11701 Mr. {Shadegg.} I rise in strong support of this
11702 amendment. I think it is one of the most important
11703 amendments we have heard all day. During the evening we have
11704 heard a number of complaints that all of the prior amendments
11705 have suspended the effectiveness of the Law, repeal the Law
11706 if unemployment went up or electricity prices went up or
11707 gasoline prices went up. And there has been consistent
11708 objection, indeed eloquent objection that that is not an
11709 appropriate way to legislate and that we ought to offer some
11710 other remedy. It seems to be an error when transparency is
11711 so important and when consumers deserve to know what they are
11712 paying for that this is kind of the rock bottom minimum. We
11713 have pledged to the American people we are going to be open
11714 and straightforward with them about costs. There are many
11715 analyses of those costs from various competing sources. As I
11716 have mentioned earlier in my comments tonight, The Heritage
11717 Foundation has put out information talking about how much

11718 prices will go up. I think the least we can do to disclose
11719 to the consuming public the various costs added by this
11720 legislation. Americans need to be able to engage in an
11721 informed discussion and to know how much the prices are going
11722 up on the various goods they are buying so that they can make
11723 a cost benefit analysis of the evils they are avoiding in
11724 terms of increased greenhouse gas emissions, carbon dioxide
11725 emissions and to realize what they are paying to avoid those
11726 in order to protect the environment, at least as alleged by
11727 the advocates of this legislation. It seems to me that if we
11728 don't disclose those costs to them, they cannot make an
11729 informed decision. I join both the gentlelady from Tennessee
11730 and the gentleman from Michigan and support and commend this
11731 amendment and thank the lady for yielding.

11732 The {Chairman.} The gentlelady's time has expired. Who
11733 seeks recognition on the amendment? Mr. Markey.

11734 Mr. {Markey.} Thank you, Mr. Chairman, very much. I
11735 speak in opposition to this amendment. Let me begin by
11736 saying that the EPA has already estimated the cost that will
11737 occur from this bill. The costs are quite small. The EPA
11738 estimates that the cost to a typical household will amount to
11739 27 to 38 cents per day for the entire household and that is
11740 without taking into account energy efficiency provisions in
11741 the other parts of the bill. The EPA has estimated that the

11742 cost of gasoline will be about two cents per gallon increase
11743 for each year. Last year gas prices went up \$2 and where did
11744 that \$2 go? Well, it went into the pockets of hostile
11745 regimes all around the world who used that money to fund
11746 armed efforts against us and against our allies. The truth
11747 is that this will be a huge imposition on businesses across
11748 the country. This will put an incredible administrative
11749 burden on companies, on utilities that will not in fact
11750 outweigh whatever benefits the minority hopes that the
11751 consumer will in fact derive. So you already have an
11752 estimate from the EPA if that is what you are interested in.
11753 But if you are interested in imposing an incredible
11754 administrative burden on every single company, every single
11755 product in terms of its need then to be subdivided into the
11756 actual cost, then you will wind up raising the cost of all of
11757 these goods that you intend obviously on informing consumers
11758 about and perhaps the cost of that should be advertised to
11759 the consumers as well because I fear that it would be greater
11760 than any of the costs that would be imposed by the effects of
11761 this bill. And by the way, when more efficient automobiles
11762 are made, when homes are better insulated, when appliances
11763 consume 50 percent of the energy which they consume today,
11764 all of those benefits as well will be derived by the
11765 consumers in our country. So I urge a no vote on this

11766 amendment. I think it really is just meant once again to go
11767 right to the heart of the opposition of the minority to the
11768 legislation but the estimates have already been made and if
11769 you want them, the EPA has them available.

11770 Mr. {Shadegg.} Will the gentleman yield?

11771 Mr. {Markey.} I will be glad to yield.

11772 Mr. {Shadegg.} If you believe that the cost will not go
11773 up or will not go up meaningfully or indeed will go down,
11774 then why would you oppose disclosure of that information to
11775 consumers?

11776 Mr. {Markey.} When a small business in any of our
11777 districts are manufacturing widgets, how in the world are
11778 they going to be able to determine what the cost of the
11779 legislation that we are now considering had on the production
11780 of that widget? The cost to that company in discharging the
11781 responsibility placed upon that company's CEO will obviously
11782 an additional business expense that will exceed whatever
11783 information is derived from that effort. And so it is
11784 ultimately a counterproductive proposal which the gentleman
11785 is making because what you are really looking for is the
11786 macro result, I hope, and that is what the EPA has already
11787 done. Otherwise, you are going to have millions and millions
11788 of businesses being forced to make this calculation and the
11789 cost will be astronomical. I yield back.

11790 Ms. {Blackburn.} If the gentleman would yield. Would
11791 the gentleman yield?

11792 Mr. {Markey.} I would be glad to yield, yes.

11793 Ms. {Blackburn.} I thank the gentleman so much. The
11794 EPA estimates that you are referencing are not what we are
11795 addressing in this. What we say is that the administrator
11796 would put in place within six months of the date of enactment
11797 of this legislation rules that would require the utilities,
11798 the motor vehicle provides, the manufacturers to make known
11799 what the cost of this legislation is. Now, there is already
11800 retail transactional software that can compute this so it is
11801 not as if you are giving them some type mandate which would
11802 be difficult to meet. There is software that can go in and
11803 compute this for them so I think that what it would be.

11804 Mr. {Markey.} If the gentlelady would let me.

11805 Ms. {Blackburn.} I will yes.

11806 Mr. {Markey.} Your amendment actually says manufactured
11807 product labels. That would be the manufacturer or every
11808 product in the United States. Food labels, that would be
11809 every farmer or every?

11810 Ms. {Blackburn.} Reclaiming my time.

11811 Mr. {Markey.} Producer of goods and so you would spread
11812 this across. The way it is written, millions of small
11813 business people in our country who would then have to put

11814 together a compliance program that would ultimately cause,
11815 God knows what the number but it would be in the tens of
11816 millions of dollars for the American business.

11817 The {Chairman.} Mr. Markey's time has expired. We will
11818 now go the Republican side. Mr. Stearns.

11819 Mr. {Stearns.} Thank you, Mr. Chairman. Mr. Markey,
11820 the EPA made estimates. These are estimates, not actual but
11821 it is interesting to note that the majority put forth this
11822 bill without getting a CBO estimate. Now, he quotes the EPA.
11823 Now, there are a couple of modeling flaws that were used by
11824 EPA in getting these estimates. The most egregious one is
11825 they assumed 150 percent growth in nuclear, 150 gigawatts in
11826 additional nuclear power. Now, I don't see anywhere in the
11827 bill where they could make that assumption. They also
11828 assume, another assumption that India and China will
11829 basically reduce their emissions by 2015 and there onwards.
11830 Now, I don't think that is a credible estimate. They also
11831 believe that customers will get rebates from these
11832 allowances. They also talk about the recession. They
11833 actually assume that the current recession will put a
11834 permanent damper on economic growth. So I guess my point is
11835 that EPA's estimates are flawed and there is in fact seven of
11836 them that are flawed and so when you look at them and you say
11837 as Mr. Upton indicated, Michigan is already implementing this

11838 so it is not a huge administrative effort and frankly I think
11839 everybody in my State when they get their utility bill, they
11840 like to see what the costs are. Just when they get their
11841 telephone bill, how do those different incremental costs go
11842 in a composite way to the total? How hard would it be to
11843 have the utility company tell you why the utility is going up
11844 if it is due to renewables?

11845 Mr. {Markey.} Will the gentleman yield?

11846 Mr. {Stearns.} Yes.

11847 Mr. {Markey.} I thank the gentleman for yielding. I
11848 think that if the gentleman suspects the methodology used by
11849 the EPA in determining what the macro costs will be, what
11850 competence could the gentleman have in the EPA under this
11851 amendment to put together a methodology for every
11852 manufacturer, every company in the United States?

11853 Mr. {Stearns.} Well, the difference is they would not
11854 be estimating, they would actual.

11855 Mr. {Markey.} Within six months after this Law passes.

11856 Mr. {Stearns.} Well, they would have actual data to
11857 use. Now, the mandatory reporting rules that you support
11858 already require manufacturers and others to collect this
11859 information for their company. Isn't that true, Mr. Markey?

11860 Mr. {Markey.} Excuse me. Could you repeat that
11861 question, please?

11862 Mr. {Stearns.} The mandatory reporting rules that you
11863 support already require manufacturers and others to collect
11864 this information for their company. That is our
11865 understanding.

11866 Mr. {Markey.} Is that so?

11867 Mr. {Stearns.} So if in effect that is true together
11868 with the need for our customers to have a realistic appraisal
11869 of what is happening, I think this is a very reasonable
11870 amendment and I think everybody on the other side would say
11871 look, we are in favor of food labeling. That has not been a
11872 big problem. We would like to see our utility costs broken
11873 out. We would like to see our phone costs broken out. Why
11874 not see what the cost of the renewable would be? Surely you
11875 couldn't be against that. Even those consumer advocates on.

11876 Mr. {Markey.} Would the gentleman yield?

11877 Mr. {Stearns.} I would be glad to yield.

11878 Mr. {Markey.} Thank you. The rules that are included
11879 in this legislation only cover the class of emitters and
11880 those are the largest emitters of greenhouse gases. What
11881 this amendment calls for is every manufacturer or every
11882 manufacturing product regardless of size, every food labeling
11883 company regardless of size all across the country. So you
11884 are creating a broad base program which was something that we
11885 deliberately avoided in terms of targeting the largest

11886 emitters for coverage under this legislation.

11887 Mr. {Stearns.} Well, I think the gentleman is sort of
11888 making a compromise here and he is saying he could support it
11889 perhaps if we just covered certain entities or major
11890 emitters. Another thought is, you know, when we talk about
11891 automobiles, they tell the content of automobiles. I mean I
11892 think across our spectrum in our economy we see where
11893 manufacturers are telling the consumer this information and
11894 it appears in a small way that you have already instituted in
11895 the bill this mandatory collection so I mean perhaps if you
11896 object to it being as the bill points out on utility bills,
11897 fuel pumps, manufactured product label, food label. Maybe
11898 there is just one or two items that you would agree to and
11899 that would make it acceptable to you. Is that possible?

11900 The {Chairman.} The gentleman's time has expired. The
11901 Chair recognizes himself for five minutes. This amendment
11902 doesn't pass the laugh test. Let just see what this
11903 amendment says. In six months after this Law is enacted we
11904 are going to have the administrator of the EPA promulgate
11905 regulations to require that the cost of compliance of this
11906 Act borne directly or indirectly by utilities and all the
11907 others will have to be disclosed. Well, some of those costs
11908 are not going to be incurred for many years if not decades.
11909 We didn't put everything in place at once. We wanted for

11910 example to have a period of time in which we have utilities
11911 operating burning coal and then at some point many decades
11912 down the road, there will be carbon sequestration. I don't
11913 know how they could possibly in six months try to figure out
11914 the cost of compliance. Now, just to compliance directly or
11915 indirectly by utilities, motor vehicle, fuel providers,
11916 manufacturers of products, providers of food. Now, and then
11917 you have this all that is going to be disclosed. I can't
11918 imagine what kind of bureaucracy would have to be created to
11919 try to do this job. In fact, I can't image any bureaucracy
11920 that can do this job. You can hire lots of people to do a
11921 lot of analyses but you are not going to get an answer that
11922 is going to be in any way give any information. Then there
11923 is going to be a requirement that the price paid by consumers
11924 resulting directing from this Act shall be disclosed on each
11925 utility bill, fuel pump, manufacturer product label or food
11926 label. Now, let me see a good label. You go and you buy
11927 processed food. It comes in a package or it is frozen. Now,
11928 the cost of freezing it, the cost of transporting it, the
11929 cost of the ingredients and how long they were or what the
11930 transportation or cost were for those ingredients to be taken
11931 from one place to another. You could go on and on and on
11932 trying to figure out how this administrator at EPA is going
11933 to have to figure out to deal with this mandate. Now, what

11934 is the cost of our growing reliance on foreign oil? That is
11935 a huge cost. Consumers might want to have that information
11936 disclosed to them. What is the cost of the failure of the
11937 Securities and Exchange Commission from regulating the
11938 markets under the Bush administration when that agency pretty
11939 much went to sleep to let big corporate traders do whatever
11940 they wanted to do? Well, we know some of the cost. The
11941 collapse of our economy but somebody should try to give us an
11942 assessment of those costs and disclose it to the consumer.
11943 What is the cost of the outing of a CIA agent by the Bush
11944 administration? Oh well it is a lot because people within
11945 the CIA had to worry what the consequences were to be to
11946 them. What were the costs of torturing prisoners? Maybe the
11947 American people would like to know that. What is it going to
11948 mean for our kids?

11949 Mr. {Scalise.} Will the gentleman yield?

11950 The {Chairman.} No, I am not going to yield. What was
11951 the cost of FEMA? We have a couple of members here from
11952 Louisiana. What was the cost of your constituents of FEMA
11953 not being able to do its job because the head of FEMA was
11954 some crony and then even after he left, FEMA was so deprived
11955 of funds and leadership and ability to do its job? So you
11956 could ask for costs that are very relevant from a lot of
11957 different points of view and we could set up huge

11958 bureaucracies to try to figure out those costs but to what
11959 purpose? This amendment would ask a new bureaucracy to
11960 figure out six months after the enactment of this Law, all
11961 these different costs to each of these different utilities
11962 and motor vehicles and others. I just think that there is no
11963 purpose in this. This amendment like the other, so many of
11964 the other amendments we have heard today is just to drive
11965 home a theme. People should be scared. People should be
11966 scared of this Law because this may result in the collapse of
11967 our economy, of huge unemployment, all these other things and
11968 nobody has been able to establish. If it is such a scary
11969 Act, why is it being supported by the utilities, the EI? Why
11970 is it being supported by the auto manufacturers? Why is it
11971 being supported by so many of the other business communities,
11972 especially those that were part of the U.S. cap? I just
11973 think that what we are seeing is a lot of obfuscation by the
11974 Republicans about the legislation in trying to drive scare
11975 tactics home. My time has expired.

11976 Mr. {Scalise.} Will you yield, Mr. Chairman?

11977 The {Chairman.} Well, I am going to recognize you on
11978 your own time because I have exceeded my time.

11979 Mr. {Barton.} Mr. Chairman.

11980 The {Chairman.} Mr. Barton.

11981 Mr. {Barton.} I rise in support on the Blackburn

11982 amendment and seek recognition to speak in favor.

11983 The {Chairman.} Yes, go ahead. You are recognized.

11984 Mr. {Barton.} Thank you, Mr. Chairman, cranky, cranky,
11985 cranky. We have had a good debate today. Points have been
11986 made on both sides. There is a theme to some of the
11987 Republican amendments. We will admit it. And that theme is
11988 not to scare the American public. That theme is to drive
11989 home that there are going to be costs to this. There are and
11990 the testimony.

11991 The {Chairman.} And benefits.

11992 Mr. {Barton.} Well, that is a debatable proposition but
11993 at the appropriate time tomorrow we can have that debate. I
11994 will grant that on your side you think, you perceive there to
11995 be benefits and if you will grant on our side that we
11996 perceive that there are going to be real cost. We didn't
11997 have any testimony that didn't say that this Act if
11998 implemented, although we didn't have the actual cap in trade
11999 allowance system that is now in your bill, it wasn't going to
12000 have costs. Now, we have tried to put some price cap
12001 protection on various aspects of those what we think will be
12002 real cost increases. We don't know what those costs are
12003 going to be. The Blackburn amendment just simply says
12004 whatever it is the American people have a right to know it.
12005 This amendment doesn't say suspend the Act. It is just a

12006 transparency amendment. That is all it is. Six months, you
12007 have a valid point. Six months is not a reasonable amount of
12008 time but you could take your remarks against Blackburn
12009 amendment, strip out the word Blackburn and put in the Waxman
12010 amendment in the nature of a substitute and we would be
12011 making almost the same speech. So, you know, it is scary to
12012 think about some of these cost increases that are going to
12013 come down the road. It is very scary. Again, we have asked
12014 the CBO to score it. Hopefully, they will score the first
12015 five years and we will have it available before this markup
12016 concludes sometime this week but I will point out that the
12017 EPA analysis if it doesn't pass the laugh test, the EPA
12018 analysis doesn't even attempt to cost Title Two and Title
12019 Four of your amendment. It assumes a huge number of nuclear
12020 power plants being built in this country. It assumes
12021 compliance with Kyoto by the signatory countries at a time
12022 certain. It assumes an offset compliance internationally
12023 that is almost guaranteed not to happen. And so if you make
12024 all those assumptions you can talk about \$10 a ton emissions
12025 but if include some of the things and you use reasonable
12026 assumptions that the EPA didn't do, which the EPA even admits
12027 that some of their assumptions are questionable, you are not
12028 going to get \$10 a ton. You probably are not going to get 20
12029 or 30 or \$40 a ton. You are going to get somewhere between

12030 50 and \$100 a ton and at 50 to \$100 a ton, the cost of this
12031 on an annual basis even in the early years is over \$100
12032 billion dollars a year. So excuse us if we say let us have a
12033 transparency amendment that exposes what these costs are.
12034 The American people have a right to know. One thing that we
12035 know on the Republican side is this is not a free lunch. It
12036 is going to be costly. It may not be as costly as some of us
12037 fear it to be but it is definitely going to be costly and
12038 there should be some transparency. That is why this is an
12039 important amendment and if you want to change the compliance
12040 date so that we have a little more time to get the data. If
12041 you don't trust your own EPA and you want to let the EIA do
12042 the data collection and review, those are amendments that we
12043 would certainly accept. At least I think the author of the
12044 amendment would accept but the basic premise of transparency
12045 and accountability to the people who vote for us and elect us
12046 to represent them, that is not a laugh test and we make no
12047 apologies for it so I support the amendment.

12048 Mr. {Hall.} Would the gentleman yield?

12049 Mr. {Barton.} I have only nine seconds but I will be
12050 glad to.

12051 Mr. {Hall.} That is all it will take me. You know, the
12052 Chairman said it was laughable and I read down here where it
12053 says any creation of price paid that means it has been paid,

12054 he says if it is not enclosed or if it hasn't been incurred
12055 you couldn't report it. Well hell no, you couldn't report
12056 it. It hasn't occurred so you at least belong in the giggle
12057 gallery, Mr. Chairman, if he is laughable. I think that if
12058 you read these here it shows that he paid it by consumer
12059 resulting directly from this Act shall be disclosed. That
12060 means when it says price paid that means it has been paid and
12061 it means that it has been incurred in all likelihood. So I
12062 don't really see anything laughable about this. I think this
12063 is a bill that would give some idea of what is happening and
12064 report to the people and let a little light into the
12065 situation and I will take it back. I don't really think you
12066 belong in the giggle gallery.

12067 The {Chairman.} Are we ready for the vote on the
12068 amendment? The gentleman from Louisiana.

12069 Mr. {Gingrey.} Mr. Chairman, thank you. Requesting
12070 time in support of the Blackburn amendment. Mr. Chairman, I
12071 like her description of it so well I want to yield time to
12072 Ms. Blackburn. I would like to hear her talk about it again
12073 so I yield my time to Ms. Blackburn.

12074 Ms. {Blackburn.} Thank you. I appreciate the time.
12075 Mr. Chairman, I think that you were beginning to hit on where
12076 so many people that we are talking to have concerns and you
12077 said that it is hard to equate this tax but that is where

12078 they are going. People know this is going to be an energy
12079 tax. They know they are going to be paying more. You
12080 mentioned the frozen food that they would buy at the store.
12081 Absolutely they know it is going to cost more to plant that
12082 crop, to harvest that crop, to go in and prepare that crop
12083 and so that it becomes a food item, a processed food item
12084 that goes to the grocery store. You have that additional
12085 cost for transportation. You have additional cost to cool it
12086 when it is in the store and then they are going to take it
12087 home and they will incur cost. So they know that every step
12088 of the way they are going to be spending more because of this
12089 cap in trade bill. They realize that. What we want them to
12090 know is to be able to figure it out to be able to say this is
12091 what the cost is and I can assure you there is methodology
12092 and there is software that will handle what your savings is
12093 and what your cost is on retail transactions. There is
12094 equipment that can be used to help. Manufacturers are
12095 labeling. They are working through the process of how many
12096 calories are in a bite, how much every single ounce of
12097 something costs. All of that labeling is transparent. When
12098 you go to the grocery store, if you went to the grocery store
12099 with me on Saturday over to Publix, you could go in and see
12100 how much per ounce everything that you want to buy is going
12101 to be. We are saying add something to this. Let them know

12102 what the additional cost that comes from the Waxman-Markey
12103 compliance is going to be. Let them see how much they are
12104 going to be paying for this. They have the right to know
12105 because they are the ones that are paying the bill and we
12106 feel that that element of transparency is important for the
12107 consumers in order for them to appreciate the cost that they
12108 are incurring. And with that I yield back.

12109 The {Chairman.} The gentleman from Georgia still has
12110 the time.

12111 Mr. {Gingrey.} Mr. Chairman, reclaiming my time and
12112 yielding back my time.

12113 The {Chairman.} Yes, the gentleman.

12114 Mr. {Whitfield.} Those of us in Washington, when we
12115 introduce legislation of course we always feel like the
12116 benefits are going to be great and the benefits may be great
12117 from this legislation but I think that the gentlelady from
12118 Tennessee has a good point and that is we should focus more
12119 on the cost. Now we don't know what the compliance cost of
12120 this legislation will be but during the 13 hours we have been
12121 here today, I went through this bill every page and I found
12122 out that we authorizing to be appropriated in this bill \$2.8
12123 trillion. In addition to that, we sell the allowance it is
12124 going to be somewhere between \$657 billion and \$1.7 trillion
12125 dollars. In addition to that, that does not include the

12126 \$7,500 that will be available to anyone that has a mobile
12127 home manufactured before 1976 and they are in the poverty
12128 level of 200 percent or below. It does not include those
12129 costs. It does not include the cost of the civil penalties
12130 of up to \$1 million a day. It does not include the criminal
12131 penalties of up to \$100 million on certain violations. So we
12132 don't know the compliance cost but we can know the actual
12133 cost of appropriated funds, selling the allowances, buying
12134 the mobile homes and all of that. And I say that simply
12135 because the benefits may outweigh that but I think it is
12136 important we pass this legislation when we discuss this
12137 legislation that we do focus on these costs and the numbers
12138 that I mentioned didn't include the \$90 million that was
12139 authorized by the building centers that we are going to
12140 establish around the country. And with that, I yield back
12141 the balance of my time.

12142 The {Chairman.} Are we ready for the question? Mr.
12143 Sarbanes.

12144 Mr. {Sarbanes.} Mr. Chairman, thank you. I'll just be
12145 two minutes. First off, with respect to the specific
12146 amendment proposed I agree with you and Chairman Markey that
12147 it would create a crushing administrative burden across the
12148 country. I also think it is unfair to compare the
12149 measurement that Ms. Blackburn wants to do to what the EPA is

12150 trying to do because although I am not an economist, I think
12151 if we had economists here they would say that you can build
12152 models that will tell you what the aggregate impact of
12153 legislation of this kind might be across the economy but you
12154 can't build models that will allow you to take it down to the
12155 level that is being proposed with any kind of certainty. So
12156 I think the exercise even leaving aside the administrative
12157 burden it could create, the exercise is probably a futile one
12158 and for that reason I would urge that we reject the
12159 amendment. But on this larger theme that we have been
12160 hearing I just wanted to make a comment and that is there is
12161 a phrase I like which is, you know, it is very difficult to
12162 predict the future. We are all struggling with that here but
12163 there is a phrase that the best way to predict the future is
12164 to create it. We are trying to create a new future here when
12165 it comes to energy and it is not going to be easy. It is not
12166 going to be easy to achieve this transition but the scariest
12167 thing of all is to stay where we are and I think the American
12168 people understand that implicitly. We cannot stay where we
12169 are. We keep getting caught in the switches because we
12170 haven't moved forward and it is going to be hard. And Mr.
12171 Scalise talked about 55 pages of this bill that talk about
12172 the impact on American workers. Well, that is because we
12173 care what happens in a transition. We are not going to leave

12174 anybody behind. The allowances that you have chosen to
12175 distribute in ways that will try to ease the impact are
12176 because we don't want to leave people behind in what is going
12177 to be a difficult transition but that doesn't mean we don't
12178 need to get to that new place. That is what this is all
12179 about so yes it is tough but Americans are very resourceful
12180 and resilient people. They are up to the challenge. That is
12181 what we hear everyday when we go around in our districts and
12182 that is why we have to proceed forward on this bill. I yield
12183 back.

12184 The {Chairman.} Are we ready for the vote on the
12185 amendment? Let us proceed to a roll call vote and I suspect
12186 we will get there.

12187 The {Clerk.} Mr. Waxman?

12188 The {Chairman.} No.

12189 The {Clerk.} Mr. Waxman, no. Mr. Dingell?

12190 Mr. {Dingell.} No.

12191 The {Clerk.} Mr. Dingell, no. Mr. Markey?

12192 Mr. {Markey.} No.

12193 The {Clerk.} Mr. Markey, no. Mr. Boucher?

12194 [No response.]

12195 The {Clerk.} Mr. Pallone?

12196 [No response.]

12197 The {Clerk.} Mr. Gordon?

12198 [No response.]

12199 The {Clerk.} Mr. Rush?

12200 [No response.]

12201 The {Clerk.} Ms. Eshoo?

12202 Ms. {Eshoo.} No.

12203 The {Clerk.} Ms. Eshoo, no. Mr. Stupak?

12204 Mr. {Stupak.} No.

12205 The {Clerk.} Mr. Stupak, no. Mr. Engel?

12206 Mr. {Engel.} No.

12207 The {Clerk.} Mr. Engel, no. Mr. Green?

12208 Mr. {Green.} No.

12209 The {Clerk.} Mr. Green, no. Ms. DeGette?

12210 Ms. {DeGette.} No.

12211 The {Clerk.} Ms. DeGette, no. Mrs. Capps?

12212 Ms. {Capps.} No.

12213 The {Clerk.} Mrs. Capps, no. Mr. Doyle?

12214 Mr. {Doyle.} No.

12215 The {Clerk.} Mr. Doyle, no. Ms. Harman?

12216 Ms. {Harman.} No.

12217 The {Clerk.} Ms. Harman, no. Ms. Schakowsky?

12218 Ms. {Schakowsky.} No.

12219 The {Clerk.} Ms. Schakowsky, no. Mr. Gonzalez?

12220 Mr. {Gonzalez.} No.

12221 The {Clerk.} Mr. Gonzalez, no. Mr. Inslee?

12222 Mr. {Inslee.} No.

12223 The {Clerk.} Mr. Inslee, no. Ms. Baldwin?

12224 Ms. {Baldwin.} No.

12225 The {Clerk.} Ms. Baldwin votes no. Mr. Ross?

12226 [No response.]

12227 The {Clerk.} Mr. Weiner?

12228 Mr. {Weiner.} No.

12229 The {Clerk.} Mr. Weiner, no. Mr. Matheson?

12230 Mr. {Matheson.} No.

12231 The {Clerk.} Mr. Matheson, no. Mr. Butterfield?

12232 Mr. {Butterfield.} No.

12233 The {Clerk.} Mr. Butterfield, no. Mr. Melancon?

12234 Mr. {Melancon.} No.

12235 The {Clerk.} Mr. Melancon, no. Mr. Barrow?

12236 Mr. {Barrow.} No.

12237 The {Clerk.} Mr. Barrow votes no. Mr. Hill?

12238 Mr. {Hill.} No.

12239 The {Clerk.} Mr. Hill, no. Ms. Matsui?

12240 Ms. {Matsui.} No.

12241 The {Clerk.} Ms. Matsui, no. Mrs. Christensen?

12242 Ms. {Christensen.} No.

12243 The {Clerk.} Mrs. Christensen, no. Ms. Castor?

12244 [No response.]

12245 The {Clerk.} Mr. Sarbanes?

- 12246 Mr. {Sarbanes.} No.
- 12247 The {Clerk.} Mr. Sarbanes, no. Mr. Murphy of
12248 Connecticut?
- 12249 Mr. {Murphy of Connecticut.} No.
- 12250 The {Clerk.} Mr. Murphy, no. Mr. Space?
- 12251 Mr. {Space.} No.
- 12252 The {Clerk.} Mr. Space, no. Mr. McNerney?
- 12253 Mr. {McNerney.} No.
- 12254 The {Clerk.} Mr. McNerney, no. Ms. Sutton?
- 12255 Ms. {Sutton.} No.
- 12256 The {Clerk.} Ms. Sutton, no. Mr. Braley?
- 12257 Mr. {Braley.} No.
- 12258 The {Clerk.} Mr. Braley, no. Mr. Welch?
- 12259 [No response.]
- 12260 The {Clerk.} Mr. Barton?
- 12261 Mr. {Barton.} Aye.
- 12262 Clerk, Mr. Barton, aye. Mr. Hall?
- 12263 Mr. {Hall.} Aye.
- 12264 The {Clerk.} Mr. Hall votes aye. Mr. Upton?
- 12265 Mr. {Upton.} Aye.
- 12266 The {Clerk.} Mr. Upton, aye. Mr. Stearns?
- 12267 Mr. {Stearns.} Aye.
- 12268 The {Clerk.} Mr. Stearns, aye. Mr. Deal?
- 12269 Mr. {Deal.} Aye.

12270 The {Clerk.} Mr. Deal, aye. Mr. Whitfield?
12271 Mr. {Whitfield.} Aye.
12272 The {Clerk.} Mr. Whitfield, aye. Mr. Shimkus?
12273 Mr. {Shimkus.} Aye.
12274 The {Clerk.} Mr. Shimkus, aye. Mr. Shadegg?
12275 Mr. {Shadegg.} Aye.
12276 The {Clerk.} Mr. Shadegg votes aye. Mr. Blunt?
12277 [No response.]
12278 The {Clerk.} Mr. Buyer?
12279 Mr. {Buyer.} Aye.
12280 The {Clerk.} Mr. Buyer votes aye. Mr. Radanovich?
12281 [No response.]
12282 The {Clerk.} Mr. Pitts?
12283 Mr. {Pitts.} Aye.
12284 The {Clerk.} Mr. Pitts votes aye. Ms. Bono Mack?
12285 Ms. {Bono Mack.} No.
12286 The {Clerk.} Ms. Bono Mack votes no. Mr. Walden?
12287 Mr. {Walden.} Aye.
12288 The {Clerk.} Mr. Walden, aye. Mr. Terry?
12289 Mr. {Terry.} No.
12290 The {Clerk.} Mr. Terry, no.
12291 Mr. {Terry.} Aye.
12292 The {Clerk.} Mr. Terry, aye. Mr. Rogers?
12293 Mr. {Rogers.} Aye.

- 12294 The {Clerk.} Mr. Rogers, aye. Mrs. Myrick?
- 12295 [No response.]
- 12296 The {Clerk.} Mr. Sullivan?
- 12297 Mr. {Sullivan.} Aye.
- 12298 The {Clerk.} Mr. Sullivan, aye. Mr. Murphy of
- 12299 Pennsylvania?
- 12300 [No response.]
- 12301 The {Clerk.} Mr. Burgess?
- 12302 Mr. {Burgess.} Aye.
- 12303 The {Clerk.} Mr. Burgess votes aye. Ms. Blackburn?
- 12304 Ms. {Blackburn.} Aye.
- 12305 The {Clerk.} Ms. Blackburn, aye. Mr. Gingrey?
- 12306 Mr. {Gingrey.} Aye.
- 12307 The {Clerk.} Mr. Gingrey votes aye. Mr. Scalise?
- 12308 Mr. {Scalise.} Aye.
- 12309 The {Clerk.} Mr. Scalise, aye. Ms. Castor?
- 12310 Ms. {Castor.} No.
- 12311 The {Clerk.} Ms. Castor votes no. Mr. Pallone?
- 12312 Mr. {Pallone.} No.
- 12313 The {Clerk.} Mr. Pallone votes no. Mr. Rush?
- 12314 Mr. {Rush.} No.
- 12315 The {Clerk.} Mr. Rush votes no. Mr. Welch?
- 12316 Mr. {Welch.} No.
- 12317 The {Clerk.} Mr. Welch, no. Mr. Ross?

12318 Mr. {Ross.} No.

12319 The {Clerk.} Mr. Ross votes no.

12320 The {Chairman.} Have all the members responded to the
12321 roll? Any member wish to change his or her vote? If not,
12322 the Clerk will tally the vote.

12323 The {Clerk.} On that vote, Mr. Chairman, the ayes were
12324 18 and the nays were 35.

12325 The {Chairman.} Without objection, Mr. Murphy will be
12326 recorded in the vote. How do you wish to vote?

12327 Mr. {Murphy of Pennsylvania.} Aye.

12328 The {Clerk.} Mr. Murphy votes aye. Mr. Murphy of
12329 Pennsylvania, aye. Mr. Chairman, the vote is 19 aye and 35
12330 nays.

12331 The {Chairman.} Nineteen ayes, 35 no's. The amendment
12332 is not agreed to. Now, I would like to recognize the
12333 gentlelady from Florida. I understand you have an amendment.
12334 The amendment pertains to this title and it has been
12335 available for two hours, is that at least?

12336 Ms. {Castor.} Yes, Mr. Chairman.

12337 The {Chairman.} The clerk will report the Castor
12338 amendment.

12339 The {Clerk.} Amendment to the amendment in the nature
12340 of a substitute offered by Ms. Castor.

12341 [The amendment follows:]

12342 ***** INSERT 18 *****

|
12343 The {Chairman.} Without objection, the amendment will
12344 be considered as read. The gentlelady from Florida is
12345 recognized for five minutes.

12346 Ms. {Castor.} Thank you, Mr. Chairman. This amendment
12347 which I am introducing jointly with Representative Inslee
12348 clarifies that States are not prohibited by the Public
12349 Utilities Regulatory Policy Act from pursuing the kinds of
12350 renewable energy incentive programs that we know work well.
12351 I want to recognize the important work of my friend, Mr.
12352 Inslee. He has been a leader in pursuing policies that
12353 remove barriers to the deployment of renewable energy and we
12354 all appreciate his efforts. One of the most effective types
12355 of renewable energy incentive programs is the Feed-in tariff.
12356 Under this concept, folks that wish to install a renewable
12357 energy device like a solar panel or a business like wind
12358 farms in concert with the utility are guaranteed that the
12359 energy produced will be purchased at a reasonable set rate of
12360 return. So as they make their investment to generate power,
12361 they know they will be able to sell that power at an
12362 attractive rate. Several States are considering adoption of
12363 Feed-in tariffs. California has been a leader on this front.
12364 State legislatures in Washington, Minnesota, Michigan and
12365 Illinois have looked at this issue. This amendment clarifies

12366 the Law to allow States that choose to do so, that choose to
12367 adopt Feed-in tariffs as part of their renewable energy
12368 efforts it says they may do so. This amendment does not tell
12369 States they must adopt a Feed-in tariff and it doesn't even
12370 say that States should adopt Feed-in tariffs. It just allows
12371 them to do so and clarifies a disputed part of the Law. In
12372 my home State of Florida, the City of Gainesville became the
12373 first city in the United States to implement a Feed-in tariff
12374 for solar power in February. I note that the City of
12375 Gainesville is located in my good friend, Mr. Stearns'
12376 congressional district. Gainesville's program has already
12377 met with a resounding success with applications for the
12378 program meeting the cap for the next several years. But
12379 Gainesville is now becoming a destination for new jobs, clean
12380 energy jobs for solar installation companies who are hiring
12381 Floridians and rapidly rolling out more solar for our State.
12382 So this is a very narrowly tailored amendment that says only
12383 that PURPA does not stand in the States' way if they make
12384 that choice and I will yield to Congressman Inslee.

12385 Mr. {Inslee.} Thank you. I just want to point out a
12386 couple things. We, you know, part of this bill we are really
12387 in a race with other countries and other countries have found
12388 out that a little policy called a Feed-in tariff can be
12389 spectacularly successful. In Germany, over 300,000 jobs have

12390 been created in large part because of the Feed-in tariff
12391 which simply gives businesses the stability of a fixed rate
12392 for their electricity and individuals. They now have 15
12393 percent of their energy from renewable sources. In
12394 contradiction, if some of the folks who said about Spain you
12395 look at the Spanish experience, I will cite a fellow from the
12396 Spanish country, a little county called Navarre where they
12397 have adopted this where they have said they have great
12398 economic growth debunking The Heritage Foundation study that
12399 has been cited. But most importantly, I would refer members
12400 to a new study from the National Renewable Energy Laboratory.
12401 This is the Federal Government National ENRA Laboratory and
12402 they did a study about this Feed-in tariffs and they
12403 basically concluded that this system of giving a fixed price
12404 for electricity can be as or more effective then any other
12405 single thing we can do. and the beauty of it is that once a
12406 business can go to a bank and say I have a fixed contract at
12407 a fixed price, it creates huge economic opportunity. It has
12408 in 40 other countries. We are behind those countries in the
12409 adoption of this policy. All our amendment will do will
12410 allow local governments to move forward should they desire to
12411 do so. This is experienced internationally know has worked.
12412 We just want a free country or our counties and cities to
12413 move forward and I commend this amendment.

12414 Mr. {Markey.} [Presiding] The gentleman's time has
12415 expired. All those that are seeking recognition.

12416 Mr. {Barton.} Mr. Chairman.

12417 Mr. {Markey.} The chair recognizes the gentleman from,
12418 Mr. Barton.

12419 Mr. {Barton.} Thank you, Mr. Chairman, and I am going
12420 to try not to be cranky. It is late. This is apparently our
12421 last amendment. This is probably the worst amendment we have
12422 seen today. I say probably because some of you on your side
12423 would say some of ours have been pretty bad and some of us on
12424 our side would say some of those that you have offered have
12425 been pretty bad. But this amendment gives the State
12426 legislature or the regulatory authority in a State the
12427 ability to set a rate for the sale of electric energy by a
12428 facility generating electric energy from renewable energy
12429 sources above the market. I mean it is a rate making
12430 authority above the market. Now, we are going to have a
12431 debate tomorrow on the definition of renewable and we are
12432 going to try to include a definitional change from renewable
12433 to clean energy and include nuclear and clean coal and some
12434 others. But under the current definition for renewable with
12435 the exception of biomass and perhaps wind power, almost every
12436 other renewal in this bill is going to be at an above market
12437 price. Solar voltaic is pick a number above the market right

12438 now. I mean a thousand percent above the market. In Spain,
12439 where they have something similar to this solar voltaic is
12440 guaranteed a price about 600 percent above the market. I
12441 mean I don't see how with a straight face this amendment can
12442 be offered and you can still claim that you are not going to
12443 raise prices. This is guaranteed. This is the guaranteed
12444 price increase for electricity generation. I mean there is
12445 no other way to look at this. And to add insult to injury,
12446 it says notwithstanding any other provision of this Act or
12447 the Federal Power Act so all the things that Mr. Doyle has
12448 attempted to do and Mr. Green has attempted to do and Mr.
12449 Boucher has attempted to do to offset or mitigate some of the
12450 potential price increases, this one amendment un-does every
12451 one of those. The only saving grace is that we just don't
12452 have enough renewable energy yet in this country that it is
12453 going to be a big percentage of the total energy mix. This
12454 is a strong no, Mr. Chairman. I mean a strong, strong no.
12455 With that I would yield to Mr. Stearns.

12456 The {Chairman.} Well, your time has expired.

12457 Mr. {Barton.} Oh, I am sorry. I yield back. I thought
12458 I had two but I am negative.

12459 The {Chairman.} Anybody on the Democratic side? Are we
12460 ready for the questions? Mr. Inslee.

12461 Mr. {Inslee.} Just very briefly I want to note that Mr.

12462 Barton's honor that I have brought the worst amendment today
12463 has guaranteed my reelection in the first congressional
12464 district.

12465 Mr. {Barton.} I said probably now. I wasn't
12466 definitive. I will give you the probably.

12467 The {Chairman.} Okay. Mr. Stearns.

12468 Mr. {Stearns.} Strike the last word. The gentlelady
12469 had mentioned my hometown, Gainesville, which is in my
12470 congressional district. I would say to her I have had
12471 businesses in Gainesville. Their utility rates are higher
12472 then they are in Ocala, higher than Leesburg, higher than
12473 Clay County and Jacksonville, Bradford County, Stark. I
12474 think what you are proposing as a mandate as Mr. Barton
12475 pointed out is wrong. Now, Gainesville is doing this
12476 voluntarily. If Gainesville wants to do it, fine. Let every
12477 city in America do this voluntarily but not to do what you
12478 have done which is bring in government agencies and put
12479 federal mandates and force communities to do it. I don't
12480 think it is the way.

12481 The {Chairman.} Will the gentleman yield?

12482 Mr. {Stearns.} Not quite yet. So I mean if Gainesville
12483 is doing this and they want to do it, fine, but I can assure
12484 you that they are paying higher cost businesses then the
12485 businesses in all the other communities. Now, Gainesville is

12486 a little separate community because it has the University of
12487 Florida and it has the Veterans Hospital. It has teaching,
12488 Shands teaching hospital. It has a huge amount of building
12489 infrastructure but I suspect that it is increasing the cost
12490 if they are having to the utility companies are forced to buy
12491 it back at a predetermined rate which is much higher. Now, I
12492 don't know that for a fact. Perhaps you can confirm that.
12493 Is the Gainesville utility buying this back from homeowners
12494 at a predetermined price that is much higher than the going
12495 rate?

12496 Ms. {Castor.} Will the gentleman yield?

12497 Mr. {Stearns.} Yes, I would be glad to yield.

12498 Ms. {Castor.} Yes, the Chamber of Commerce of
12499 Gainesville is strongly in favor because while the rate
12500 structure is a little bit different, the value here is the
12501 best going in energy production because what it is going to
12502 do is unleash a whole new market for new jobs. You have
12503 solar installation companies now locating in Gainesville near
12504 the University of Florida. Will reduce pollution but the
12505 beauty of this is that we are not mandating anything. We are
12506 just saying now with the renewable energy standard that comes
12507 in, utility will have a greater incentive to find to produce
12508 energy based on renewables. We are not mandating anything.
12509 We are saying this is an option for utilities and for States.

12510 They don't have to do it. We are not even saying they should
12511 do it but it is an option and it will be a very valuable
12512 option to the communities that take the lead. And after
12513 extensive debate in the City of Gainesville and public
12514 hearings, they are leading the way and they are going to lead
12515 the way in job creation as well.

12516 Mr. {Stearns.} Reclaiming my time, I would say that
12517 perhaps your amendment is not even needed if the City of
12518 Gainesville is doing this as you say successfully and you are
12519 saying other communities could also do it successfully then
12520 why is there need for federal legislation?

12521 Ms. {Castor.} Yeah, the gentleman will yield?

12522 Mr. {Stearns.} Sure.

12523 Ms. {Castor.} There is an argument over the Law and
12524 counsel might want to address this as well. Some States have
12525 acted like Minnesota, other like Iowa thought that the
12526 federal PURPA Law preempted them from moving forward with the
12527 Feed-in tariff concept so that blocks new wind farm
12528 businesses and solar entrepreneurs. This just clarifies the
12529 Law that nothing in PURPA prohibits utilities and States and
12530 municipal utilities from pursuing the renewable.

12531 Mr. {Stearns.} All right. Just reclaiming my time, I
12532 think I will ask counsel then if we did not have this bill
12533 could the 50 States in America voluntarily do this adopt

12534 renewable energy incentives, yes or no?

12535 {Counsel.} No, not under current Federal Law. The
12536 Public Utility Regulatory Policies Act in Section 210 adopted
12537 a standard for the purchase of co-generated power and
12538 renewable energy that was set at the avoided cost that the
12539 utility would otherwise pay for power. That avoided cost was
12540 deemed to allow an incentive to provide that kind of energy.

12541 Mr. {Stearns.} Could under this bill a State which can
12542 do it voluntarily, could they do it in such a way that the
12543 utility would pie it back at the market instead of an
12544 increase above the market rate so that the utility would buy
12545 it back but they wouldn't have to add more cost because they
12546 are paying higher percentage for this than the market rate
12547 is? Do you follow what I am saying?

12548 {Counsel.} Well, without legislation similar to this
12549 provision a State regulatory commission could not order its
12550 utilities to pay more under some interpretations and there
12551 have been some cases in court that have held this way. A
12552 State regulatory commission could not require its utilities
12553 to pay more than the avoided cost of other forms of
12554 electricity even if they felt there was a special value from
12555 that form.

12556 Mr. {Stearns.} All right. Thank you, Mr. Chairman.

12557 The {Chairman.} The gentleman's time has expired. Are

12558 we ready for the vote.

12559 Mr. {Shimkus.} Real quickly, Mr. Chairman.

12560 The {Chairman.} Mr. Shimkus, would you take a two
12561 minute?

12562 Mr. {Shimkus.} I will try, yes, sir. Here is a
12563 difference in equality. Republicans want more energy supply
12564 to have equal low prices. The Democrats through this bill
12565 want everyone to have equal energy costs all at the high rate
12566 and here is an example. We are talking about Spain and here
12567 is the report from the Universidad Rey Juan Carlos, Dr.
12568 Gabriel Calzada Alvarez who says that during the 2004 general
12569 election campaign the socialist candidate, Jose Luis
12570 Rodriguez Zapatero promised a reorientation of the energy
12571 model towards one that is more centralized, more diversified
12572 and safe, less wasteful and also more solidarity, meaning it
12573 requires payment by many into a system for the common good
12574 for which they achieve little benefit. The program proposed
12575 an initial Feed-in tariff scheme which has the effect of
12576 artificially increasing the price paid for electricity
12577 produced by renewables. Why are we artificially increasing
12578 the price paid for renewables? Why are we concerned about
12579 this bill? Because this is really as we said in hearings,
12580 the largest grab for power that many of us has ever seen
12581 through energy through a socialist state and this is a

12582 primary example of what failed in Spain. Spain had 17 and a
12583 half percent unemployment. The report says for every one
12584 green job created, two and a half, 2.2 jobs were lost. Now,
12585 if we want to go in Spain's example.

12586 Mr. {Weiner.} Will the gentleman yield?

12587 Mr. {Shimkus.} No, if we want to go and you can have
12588 five minutes on your own time. If we want to go in Spain's
12589 example and have this initial Feed-in tariff scheme which
12590 failed in Spain, adopt this amendment. I yield back my time.

12591 The {Chairman.} Are we ready for the vote?

12592 Mr. {Weiner.} Could I just have 30 seconds? I am just,
12593 can I have 30 seconds.

12594 The {Chairman.} Recognized for one minute.

12595 Mr. {Weiner.} I am puzzled as my colleagues over there
12596 are in the throes to decide what is wrong with this amendment
12597 they have gone wildly from this require something that now
12598 Mr. Stearns has enlightened us all that it doesn't require
12599 anything at all and then somehow my colleague from Illinois
12600 who seems to be obsessed with Spain finds Spain somewhere in
12601 this. I don't see it anywhere. It is not that long but I
12602 don't see anything about Spain. How did the gentleman become
12603 so obsessed with Spain? I think this is an amendment at best
12604 this impacts Florida and when did returning rights to the
12605 States create a centralized.

12606 Mr. {Barton.} Florida used to be part of Spain a long
12607 time ago.

12608 Mr. {Weiner.} What did he say?

12609 Mr. {Shimkus.} Spain is socialism and both start with
12610 an S.

12611 Mr. {Weiner.} I just wanted to say, Mr. Chairman, the
12612 offer of the amendment and apparently everyone has to join
12613 with Inslee to do anything now that he wrote that book but it
12614 wrote the word may here to make it clear and her remarks said
12615 very clearly it didn't require anything and then my
12616 colleagues on the other side burst into hysteria that we have
12617 gone to socialist Spain somehow. I mean you might have
12618 reasonable opposition to this amendment but you sure haven't
12619 stated it yet.

12620 The {Chairman.} Don't encourage them.

12621 Mr. {Shimkus.} Oh come on, come on. All right. Let us
12622 focus on the CIA, with waterboarding. Let us focus on
12623 waterboarding, damn it. That's more of it.

12624 The {Chairman.} Now, this is our last amendment. We
12625 will now proceed to a vote. All those in favor of the Castor
12626 amendment say aye. Aye. Opposed, no. The ayes have it.

12627 Mr. {Barton.} Mr. Chairman, I ask for a roll call.

12628 The {Chairman.} You want a roll call. Well, let us go
12629 to a roll call.

12630 Mr. {Barton.} I would ask for unanimous consent that
12631 every Republican vote be counted double in the spirit of
12632 above market vote counting.

12633 The {Chairman.} Let us have that disclosed to the
12634 American people. The Clerk will call the roll.

12635 The {Clerk.} Mr. Waxman?

12636 The {Chairman.} Aye.

12637 The {Clerk.} Mr. Waxman, aye. Mr. Dingell?

12638 Mr. {Dingell.} Aye.

12639 The {Clerk.} Mr. Dingell votes aye. Mr. Markey?

12640 Mr. {Markey.} Yes.

12641 The {Clerk.} Mr. Markey votes aye. Mr. Boucher?

12642 [No response.]

12643 The {Clerk.} Mr. Pallone?

12644 Mr. {Pallone.} Aye.

12645 The {Chairman.} The clerk will suspend the roll. We
12646 must have order so members can hear it and I do want to
12647 announce there will be a colloquy. We won't have any further
12648 amendments but there will be an important colloquy that will
12649 take place after the vote is completed. Please proceed now
12650 that we have order.

12651 The {Clerk.} Okay. Mr. Gordon?

12652 [No response.]

12653 The {Clerk.} Mr. Rush?

12654 Mr. {Rush.} Aye.

12655 The {Clerk.} Mr. Rush votes aye. Ms. Eshoo?

12656 Ms. {Eshoo.} Aye.

12657 The {Clerk.} Ms. Eshoo, aye. Mr. Stupak?

12658 Mr. {Stupak.} Aye.

12659 The {Clerk.} Mr. Stupak, aye. Mr. Engel?

12660 Mr. {Engel.} Aye.

12661 The {Clerk.} Mr. Engel, aye. Mr. Green?

12662 [No response.]

12663 The {Clerk.} Ms. DeGette?

12664 Ms. {DeGette.} Aye.

12665 The {Clerk.} Ms. DeGette votes aye. Mrs. Capps?

12666 Ms. {Capps.} Aye.

12667 The {Clerk.} Mrs. Capps votes aye. Mr. Doyle?

12668 Mr. {Doyle.} Yes.

12669 The {Clerk.} Mr. Doyle, aye. Ms. Harman?

12670 [No response.]

12671 The {Clerk.} Ms. Schakowsky?

12672 Ms. {Schakowsky.} Aye.

12673 The {Clerk.} Ms. Schakowsky votes aye. Mr. Gonzalez?

12674 Mr. {Gonzalez.} Aye.

12675 The {Clerk.} Mr. Gonzalez, aye. Mr. Inslee?

12676 Mr. {Inslee.} Aye.

12677 The {Clerk.} Mr. Inslee, aye. Ms. Baldwin?

12678 Ms. {Baldwin.} Aye.

12679 The {Clerk.} Ms. Baldwin, aye. Mr. Ross?

12680 Mr. {Ross.} Aye.

12681 The {Clerk.} Mr. Ross, aye. Mr. Weiner?

12682 Mr. {Weiner.} Aye.

12683 The {Clerk.} Mr. Weiner, aye. Mr. Matheson?

12684 Mr. {Matheson.} Aye.

12685 The {Clerk.} Mr. Matheson, aye. Mr. Butterfield?

12686 Mr. {Butterfield.} Aye.

12687 The {Clerk.} Mr. Butterfield, aye. Mr. Melancon?

12688 [No response.]

12689 The {Clerk.} Mr. Barrow?

12690 Mr. {Barrow.} Aye.

12691 The {Clerk.} Mr. Barrow, aye. Mr. Hill?

12692 Mr. {Hill.} Aye.

12693 The {Clerk.} Mr. Hill votes aye. Ms. Matsui?

12694 Ms. {Matsui.} Aye.

12695 The {Clerk.} Ms. Matsui, aye. Mrs. Christensen?

12696 Ms. {Christensen.} Aye.

12697 The {Clerk.} Mrs. Christensen, aye. Ms. Castor?

12698 Ms. {Castor.} Aye.

12699 The {Clerk.} Ms. Castor, aye. Mr. Sarbanes?

12700 Mr. {Sarbanes.} Aye.

12701 The {Clerk.} Mr. Sarbanes, aye. Mr. Murphy of

- 12702 Connecticut?
- 12703 Mr. {Murphy of Connecticut.} Aye.
- 12704 The {Clerk.} Mr. Murphy, aye. Mr. Space?
- 12705 Mr. {Space.} Aye.
- 12706 The {Clerk.} Mr. Space, aye. Mr. McNerney?
- 12707 Mr. {McNerney.} Aye.
- 12708 The {Clerk.} Mr. McNerney, aye. Ms. Sutton?
- 12709 Ms. {Sutton.} Aye.
- 12710 The {Clerk.} Ms. Sutton, aye. Mr. Braley?
- 12711 Mr. {Braley.} Aye.
- 12712 The {Clerk.} Mr. Braley, aye. Mr. Welch?
- 12713 Mr. {Welch.} Aye.
- 12714 The {Clerk.} Mr. Welch, aye. Mr. Barton?
- 12715 Mr. {Barton.} No.
- 12716 The {Clerk.} Mr. Barton, no. Mr. Hall?
- 12717 Mr. {Hall.} No.
- 12718 The {Clerk.} Mr. Hall, no. Mr. Upton?
- 12719 Mr. {Upton.} No.
- 12720 The {Clerk.} Mr. Upton, no. Mr. Stearns?
- 12721 Mr. {Stearns.} No.
- 12722 The {Clerk.} Mr. Stearns, no. Mr. Deal?
- 12723 Mr. {Deal.} No.
- 12724 The {Clerk.} Mr. Deal votes no. Mr. Whitfield?
- 12725 Mr. {Whitfield.} No.

12726 The {Clerk.} Mr. Whitfield, no. Mr. Shimkus?
12727 Mr. {Shimkus.} No.
12728 The {Clerk.} Mr. Shimkus, no. Mr. Shadegg?
12729 Mr. {Shadegg.} No.
12730 The {Clerk.} Mr. Shadegg, no. Mr. Blunt?
12731 [No response.]
12732 The {Clerk.} Mr. Buyer?
12733 Mr. {Buyer.} No.
12734 The {Clerk.} Mr. Buyer, no. Mr. Radanovich?
12735 [No response.]
12736 The {Clerk.} Mr. Pitts?
12737 [No response.]
12738 The {Clerk.} Ms. Bono Mack?
12739 Ms. {Bono Mack.} No.
12740 The {Clerk.} Ms. Bono Mack, no. Mr. Walden?
12741 Mr. {Walden.} No.
12742 The {Clerk.} Mr. Walden, no. Mr. Terry?
12743 Mr. {Terry.} No.
12744 The {Clerk.} Mr. Terry, no. Mr. Rogers?
12745 Mr. {Rogers.} No.
12746 The {Clerk.} Mr. Rogers, no. Mrs. Myrick?
12747 [No response.]
12748 The {Clerk.} Mr. Sullivan?
12749 Mr. {Sullivan.} No.

12750 The {Clerk.} Mr. Sullivan, no. Mr. Murphy of
12751 Pennsylvania?
12752 [No response.]
12753 The {Clerk.} Mr. Burgess?
12754 Mr. {Burgess.} No.
12755 The {Clerk.} Mr. Burgess, no. I am sorry. Mr. Murphy
12756 of Pennsylvania also votes no. Mr. Blackwood. I am sorry.
12757 Ms. Blackwood.
12758 [No response.]
12759 The {Clerk.} Okay. Mr. Gingrey, I am sorry.
12760 [No response.]
12761 The {Clerk.} Mr. Scalise?
12762 Mr. {Scalise.} No.
12763 The {Clerk.} Mr. Scalise votes no. Yeah, I got him.
12764 The {Chairman.} Did all of the members respond to the
12765 roll?
12766 The {Clerk.} Mr. Melancon?
12767 Mr. {Melancon.} Yes.
12768 The {Clerk.} Okay. Mr. Melancon votes yes.
12769 The {Chairman.} Any member wish to change his or her
12770 vote? If not, the clerk will tally the vote. Mr. Murphy and
12771 I would like you to count those numbers in English, not in
12772 Spanish. Is the clerk ready to respond to the roll?
12773 The {Clerk.} On that vote, Mr. Chairman, the ayes were

12774 32, the nays were 18.

12775 The {Chairman.} Thirty-two ayes, 18 nays. The
12776 amendment is agreed to. All right. I want to recognize Ms.
12777 Matsui for a colloquy with me.

12778 Ms. {Matsui.} Thank you, Mr. Chairman. I want to say I
12779 am the finale so after this everybody can go home but I want
12780 to thank you very much. I am entering into this colloquy to
12781 seek your future commitment to an important section in this
12782 bill. I am encouraged that this bill starts to address the
12783 transportation sector as well as the energy sector.
12784 Transportation accounts for 30 percent of the greenhouse
12785 gases admitted into the atmosphere each year. Therefore,
12786 effective climate change legislation must include a
12787 transportation component if we are going to achieve the
12788 emission reduction levels that scientists say are vital to
12789 saving our planet. Mr. Chairman, I appreciate working with
12790 you on Section 222 which seeks to reduce greenhouse gas
12791 emissions through comprehensive transportation efficiency and
12792 land use planning. Specifically, this section authorizes the
12793 EPA to make grants to States and MPOs to accomplish three
12794 things. First, it supports improving data collection,
12795 modeling and monitoring systems. Second, it awards funds to
12796 assist in development of comprehensive plans by States and
12797 MPOs. Third, it provides resources for implementation of

12798 plans such as efforts to increase transit construction of
12799 facilities and more. Currently, Section 132 distributes
12800 ambition allowances among States for energy efficiency
12801 programs such as transportation efficiency like Section 222.
12802 However, within Section 132 funding is currently only limited
12803 to transportation planning. Mr. Chairman, I would like to
12804 get your commitment to work together with the transportation
12805 and infrastructure committee going forward to address all
12806 aspects of Section 222 from modeling to development of plans
12807 to implementation of plans to be eligible for funding.
12808 States and cities will need resources to not only effectively
12809 plan, they will also need resources necessary to implement
12810 strategies like increasing transit use. For example, public
12811 transportation last year prevented the emission of more than
12812 37 million metric tons of carbon dioxide. Those emission
12813 savings are equivalent to the electricity used by 4.9 million
12814 households. Mr. Chairman, I would like to work with you on
12815 this issue going forward to ensure that the transportation
12816 sector is properly recognized and the communities receive the
12817 resources they need. With that, Mr. Chairman, I would like
12818 to yield to you for your thoughts?

12819 The {Chairman.} The gentlelady yield to me. I thank
12820 you, Ms. Matsui. I appreciated your efforts throughout this
12821 process to address the transportation sector's contribution

12822 to global warming pollution. The provisions of Section 222
12823 which are based on your smart planning for smart growth act
12824 are an important first step. I am pleased that the bill
12825 includes allowances that States can use to plan to reduce
12826 global warming pollution from transportation and I will be
12827 glad to continue to work with you to ensure that the States
12828 and localities have the resources they need to implement the
12829 plans they develop.

12830 Ms. {Matsui.} Thank you, Mr. Chairman. I yield back my
12831 time.

12832 The {Chairman.} Thank you. The chair wants to announce
12833 that the desk will be open as early as no earlier but as
12834 early as 9:00 a.m. so if members want to drop off their
12835 amendments. And secondly, if you wish to leave your binders
12836 and papers without having to take them out of the room they
12837 will be here. The room will be secure and I can't imagine
12838 anybody wanting to steal the copies of the amendment and the
12839 nature of the substitute or the original based text of the
12840 bill since they are quite voluminous. So as you wish if you
12841 decide you want to leave your papers here, they will be here
12842 tomorrow when we return. That concludes our business for
12843 tonight. We will reconvene at 10:00 a.m.

12844 [Whereupon, at 11:50 p.m., the committee recessed, to
12845 reconvene at 10:00 a.m., Wednesday, May 20, 2009.]