

Federal Climate and Energy Activities Weekly Roundup
March 8—March 12

Update on Senate Climate Legislation

Negotiations over the specifics of the Senate climate legislation are ongoing, and it is reported that a draft bill will be circulated before the Spring recess, beginning March 26. As reported previously, the broad concepts under consideration are a cap on carbon that would initially be applied to the electricity sector, followed by a cap on the manufacturing sector that would be imposed at a later date. The transportation sector would not be capped, but instead would be subject to a carbon tax.

One of the issues currently under consideration is the treatment of the manufacturing sector. Senators Sherrod Brown (D-OH), Debbie Stabenow (D-MI) and Carl Levin (D-MI) have been working with the bill's authors, Senators John Kerry (D-MA), Lindsey Graham (R-SC) and Joseph Lieberman (I-CT), to hammer out the details. It is possible that the cap on emissions from the manufacturing sector could be delayed by as much as 10 years or more depending on whether the U.S. has started implementing trade sanctions on manufactured items from countries without similar same environmental standards.

Kerry, Graham and Lieberman have also begun working with industry representatives in the hopes of gaining support for their approach. On March 9, representatives from 14 industry groups met with the Senators. The industry groups involved included the U.S. Chamber of Commerce, the National Association of Manufacturing, Edison Electric Institute, American Petroleum Institute, Alliance of Automobile Manufacturers, and the American Forest and Paper Association. While the groups have not said whether they would support the proposals on the table for the new climate bill, participants characterized the meeting as productive. The industry groups will have a follow up closed-door meeting with the Senators next week.

Governors Express Concerns Over EPA's Plan for Greenhouse Gas Regulations

On March 10, 20 Governors, including nine Southern Governors, sent the attached letter to House and Senate leaders expressing their concern that EPA's efforts to regulate greenhouse gases could be harmful to state economies. The Governors argue that elected representatives, not a single federal agency, should develop greenhouse gas reduction policies. They urged Congress to stop EPA's regulations of greenhouse gases and pass balanced comprehensive legislation instead.

New Legislation:

No relevant legislation was introduced this week.