

Washington, DC – Today U.S. Representative Lloyd Doggett (D-Texas) and cosponsors Earl Blumenauer (D-OR) and Chris Van Hollen (D-MD) announced the introduction of the Climate MATTERS Act (Climate Market Auction Trust and Trade Emissions Reduction System) to institute a strong cap-and-trade system designed to reduce greenhouse gas pollution. This is the first such bill to receive primary referral to the Ways and Means Committee, which is scheduling a hearing on it within a month.

“Global warming is this generation’s greatest challenge, and we need everyone at the table now to develop a comprehensive solution,” said Congressman Blumenauer. We face a carbon constrained economy, and ignoring this will cost consumers and the environment dearly. A cap and trade system will allow us to create and transfer value. This means that by cutting emissions, we can generate revenue to invest in renewable energy sources, create jobs and reduce our dependence on foreign oil. I can think of no better opportunity and no better time to start.”

“My bill to combat global warming gives a green light to green technology, which translates into green dollars and green jobs,” said Congressman Llyod Doggett. America can run the new green energy economy or get run over by it. We can wait and pay dearly to import this technology from abroad, or we can lead with what will become major high tech exports of American products. Let’s encourage those high-wage green-collar jobs here at home. Instead of an energy policy, which consists of little more than holding hands with Saudi princes and doing nothing as gas prices soar, jobs go overseas, and our planet overheats, we can combat global warming in a way that is right for the environment, right for our economy, right for our health, and right for our national security.”

“The Climate MATTERS Act will align public policy in a way that propels American innovation, significantly enhances America’s competitiveness in the world, creates millions of new high-skilled, high-wage green collar jobs and dramatically cleans up our environment,” said Congressman Van Hollen.

Joining Reps. Doggett, Blumenauer and Van Hollen were representatives of the Environmental Defense Fund, Sierra Club, Friends of the Earth, the National Venture Capital Association, the Union of Concerned Scientists, Physicians for Social Responsibility, and the Center on Budget and Policy Priorities.

Rep. Lloyd Doggett

Remarks on Introduction of Climate Matters Bill

June 17, 2008

We gather today in the hearing room for a committee that considers revenue, trade, and health legislation. The proposal, which we are announcing today addresses all three.

Certainly, global warming represents our greatest environmental challenge. With the increased competition for limited resources already underway around the world, with the potential displacement of millions of people from both flooding and desertification, I believe that global warming also represents our greatest long-term national security challenge. But with every challenge comes an opportunity, and I am convinced that this immense challenge can offer a significant economic opportunity for our country to take the global lead in developing renewable energy technology and the more efficient use of all energy.

Our country has been the world's biggest greenhouse gas polluter, and my home state of Texas is the biggest greenhouse gas polluter in America. We have a responsibility to find a solution, and today we offer a new bill, the "Climate Matters Act." This is the first climate change bill to have been introduced in Congress, which will receive primary referral here to the House Ways and Means Committee. We have been promised a hearing on it here in this room within a month. While perhaps true that climate change legislation cannot be approved this year, the only way to get it approved next year, is to keep pushing forward now on this urgent national priority.

The Climate Market Auction, Trust, and Trade Emissions Reduction System – you can see why we call it the "Climate MATTERS Act," creates a market-based, cap-and-trade system to put strong yet achievable limits on greenhouse gas pollution. It creates a carbon marketplace in which allowances to emit greenhouse gases will be auctioned, bought, sold and traded. The goal is essentially to charge a fair market price for pollution that is currently being dumped into

the atmosphere free of charge.

We applaud similar efforts by Senators Lieberman, Warner, and Boxer. Countless forces have sought to weaken and undermine their proposal. We believe that the science-based solution that we are all seeking is best advanced by strengthening the cap and trade system that they proposed, not by weakening it. Accordingly, we would both place limitations on more pollution and give away fewer allowances to pollute free-of-charge to existing polluters than was provided in their bill.

The first title of our bill concerning trade is also unique. We call for the presidential leadership, which we have lacked for eight years, to engage in immediate international negotiations to encourage all major countries to participate in a comparable cap-and-trade system. We include both “carrots” and “sticks,” consistent with World Trade Organization requirements, to encourage this global participation. US manufacturers should not be disadvantaged by foreign competitors, who continue to pollute. Our bill removes the incentive either to buy goods made from “dirty” manufacturing processes abroad or to move manufacturing offshore.

The auction we propose will raise substantial new revenue: revenue that the bill reinvests in clean energy technology, assistance to workers and consumers affected by the transition to a low-carbon economy, and some repair of the damage already inflicted by global warming.

Unlike previous bills, Climate MATTERS would vest all responsibility for this auction and management of the funds that it generates to the Treasury Department and leave the Environmental Protection Agency to focus exclusively on the vital role that it was created to serve -- protecting the environment.

Another unique feature of our legislation is its creation of a “Healthy Families Fund.” Our two most pressing domestic priorities are resolving the health care crisis, which is entangling more and more American families, and the threat of global warming. This legislation offers significant help on both. The carbon auction will raise substantial revenues that can address the plight of 72 million uninsured or underinsured Americans. This fund can assist with financing access to affordable, quality care as part of our commitment to helping families transition to a new clean energy future. I appreciate the letter of support from Families USA for this important provision in our bill.

Another unique provision in our proposal expands on provisions in the Boxer substitute to Lieberman-Warner is the creation of a Transportation Alternatives Account. This is a provision developed by Congressman Blumenauer. I would ask him to expand on that and his experience as a key member of the Select Committee on Global Warming.

By creating a market for the sale of emissions allowances, we will be creating another market - a market for green technologies that reduce our reliance on fossil fuels. Existing polluters will seek out green technology to improve their bottom line, and reduce the amount of allowances they must purchase. One of our Caucus leaders, who truly understands that a green light to green technology translates into green dollars and green jobs is Chris Van Hollen.

Our other Committee original cosponsors include Reps. Rahm Emanuel, John Larsen, Allyson Schwartz, John Lewis, Stephanie Tubbs Jones, Mike McNulty, Kendrick Meek, Mike Thompson, Jim McDermott, Pete Stark, Bill Pascrell, Joe Crowley and Shelley Berkley.

I will have a complete list of our other original cosponsors shortly.

America can run the new green energy economy or get run over by it. We can wait and pay dearly to import this technology from abroad, or we can lead with what will become major high tech exports of American products. Already financing some of the most innovative developments in renewable energy technology are members of the National Venture Capital Association, whose Executive Director Mark Heesen has provided encouragement in our endeavors.

Because an effective response to global warming is our most pressing environmental concern, a wide range of environmental groups have offered encouragement and advice on this legislation. You will find letters of support from—environmental groups, the health community, scientists, physicians, and faith leaders. I would particularly like to acknowledge—environmentalists present who are not speaking: Anna Aurilio with Environment America, and Sarah Wilhoite with Earth Justice. In addition, we will hear from representatives from Dave Hamilton, with the Sierra Club's Global Warming Campaign, Colin Peppard with

Friends of the Earth, Lexi Schultz with the Union of Concerned Scientists, Dr. Mike McCally with the Physicians for Social Responsibility, and Jim Marston with Environmental Defense Fund. In addition, Jim will introduce economist Dr. Matthias Ruth, the principal author of a study noting the low cost of an effective cap-and-trade program compared to doing little or nothing about the problem.

Instead of an energy policy, which consists of little more than holding hands with Saudi princes and doing nothing as gas prices rise, jobs go overseas, and our planet overheats, we can combat global warming in a way that is right for the environment, right for our economy, right for our health, and right for our national security.

BILL SUMMARY

The Climate MATTERS Act

(Climate Market, Auction, Trust & Trade Emissions Reduction System)

The Climate MATTERS Act develops an innovative plan for the auction, revenue and trade aspects of a cap and trade system.

Strikes a Balance: The Climate MATTERS Act is environmentally strong, but realistic about its goals and methods to accomplish them.

- * Domestic Auction

- o The Climate MATTERS Act emissions cap will reduce emissions 80% below 1990 levels by 2050.

- o Beginning by auctioning 85% of all emissions allowances, this bill quickly moves to a 100% auction in 2020.

- o While excluding agriculture, forestry and small businesses from the emissions cap, this bill also provides incentives for these sectors to reduce their emissions.

- * Green Investment Plan for Auction Revenue
 - o As the comprehensive auction system raises significant new revenue, this bill recognizes that this revenue is an important aspect of a comprehensive response to global warming. The Climate MATTERS Act devotes this revenue to addressing the social, economic and environmental aspects of adapting to a clean energy economy and offsetting the inevitable impacts of climate change.

 - o Consumer and Worker Assistance:
 - * Consumer Assistance: Provides substantial assistance to American families in meeting their household needs and making energy efficient improvements.

 - * Part of the revenue is used to create the “Healthy Families Fund.” The reserve fund acknowledges that climate change and lack of access to affordable healthcare are two of the largest problems America confronts. This fund will assist households with the costs of obtaining and maintaining healthcare coverage as we transition to a new clean energy future.

 - * Affected Worker Assistance: Provides funding for adjustment assistance, employment services, income-maintenance, and needs-related payments for workers to ease the transition to a low carbon economy. Funds will also assist communities in attracting new employers, provide local government services.

 - * Worker Training: Supplements funding for green worker training, and provides funding

for the advancement of environmental education to create an environmentally-literate workforce.

- o Environmental Protections:

- * Provides funding to conserve natural resources, mitigate impacts and help wildlife and ecosystems survive global warming. Provides funding to help the developing countries begin to adapt to a changing climate.

- * Provides funding to achieve real, verifiable, additional, permanent, and enforceable reductions in greenhouse gas emissions from the agriculture and forestry sectors, as well as promoting forest restoration and deforestation reduction efforts internationally.

- o Transition to a Clean Energy Economy:

- * Technological Development: Provides funding for the advancement of basic renewable energy technologies.

- * Energy Efficiency: Provides funding for energy efficiency and conservation, advancement in mass transit and provides funding to load serving entities to implement energy efficiency programs for their customers. In addition, the bill provides funding for heating and weatherization assistance programs.

- * Early Action: Provides funding to operators of emitting facilities in recognition of early action to reduce greenhouse gases.

- * International Technology and Adaptation: Provides funding to qualified developing countries to accelerate low carbon technologies and assist the most vulnerable developing countries cope with climate change impacts.

* International Cooperation

o The Climate MATTERS Act also provides strong encouragement to other countries such as China and India to participate through a combination of carrots and sticks in a manner designed to be WTO compliant.

o The bill provides incentives to encourage early implementation of cap and trade agreements by allowing flexibility in setting emissions levels in a limited number of initial agreements.

o Carbon-intensive goods from countries lacking such emissions caps cannot enter the U.S. market without allowances purchased to cover their carbon footprint.

o In addition, the Climate MATTERS Act acknowledges the substantial benefits of tropical deforestation reductions by providing negotiators the ability to reward countries that significantly reduce deforestation, even if they are unable to implement a comprehensive emissions cap.

Fiscally Responsible: The Climate MATTERS Act devotes a portion of the auction proceeds to ensure the bill does not add to our national debt.