

## U.S. Senate set to take up climate change debate

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By Deborah Zabarenko, Environment Correspondent

WASHINGTON, May 27 (Reuters) - The international fight to control climate change heads to a new arena in June when the Senate is to debate a bill that could cut total U.S. global warming emissions by 66 percent by 2050.

Environmentalists are supportive but want more in the legislation, the business community questions the economic impact, and the politicians who have shepherded it seem gratified that it has managed to get this far -- even though it is unlikely to become law this year.

"I look upon this piece of legislation as a great big train in the station and we're trying to get it out," Sen. John Warner, a Virginia Republican who co-sponsored the bill, said after an updated version of the measure was released. Senate debate is set for June 2. Sen. Joe Lieberman, a Connecticut independent, is the bill's other chief sponsor.

The Bush administration, now in its last months, has consistently opposed an across-the-board cap-and-trade program for carbon dioxide, a greenhouse gas emitted by fossil-fueled vehicles and coal-fired industries, as well as by natural sources including human breath.

The United States is the only major industrialized nation outside the carbon-capping Kyoto Protocol.

But the three major U.S. presidential candidates -- Democrats Hillary Clinton and Barack Obama and Republican John McCain, all senators -- favor curbing carbon emissions, giving proponents of cap-and-trade hope for legislative action in 2009.

Under the measure set for Senate debate, known as the Lieberman-Warner Climate Security Act, U.S. greenhouse gas emissions would drop by about 2 percent per year between 2012 and 2050, based on 2005 emission levels.

The bill would cap carbon emissions from 86 percent of U.S. facilities, and emissions from those would be 19 percent below current levels by 2020 and 71 percent below current levels by 2050, according to a summary of the bill's details released by the Senate Environment and Public Works Committee.

Total U.S. emissions could be reduced by up to 66 percent, the summary said.

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Sen. Barbara Boxer, a California Democrat who heads the environment committee, said this version of the bill offers tools to soften the impact of high prices during the transition to a lower-carbon economy. These include a utilities rebate program and tax relief.

A coalition of 20 environmental groups including the Sierra Club, the Environmental

Defense Fund and the Natural Resources Defense Council praised the effort but said carbon cuts should be tougher.

"The best chance for progress this year on federal global warming pollution limits is for the Senate to strengthen and pass the Climate Security Act," the groups said in a statement. "The bill needs to be strengthened to ensure that it will meet the reductions that science dictates are needed to prevent dangerous global warming."

The pro-business American Enterprise Institute cited a U.S. government analysis of the bill's economic impact that projects U.S. gross domestic product could drop by 2.7 percent by 2050. In an online article entitled "How Green Hysteria Will Hit Home," the institute called the 2050 targets for emissions reduction "absurd and irresponsible."

The environmental group Natural Resources Defense Council countered by saying the cost of doing nothing would be far higher: more than 3.6 percent of GDP, or \$3.8 trillion annually (in 2008 dollars).

Citing a study commissioned study performed by Tufts University, the council said costs and damages for four categories related to climate change would carry huge price tags: \$422 billion for hurricanes, \$360 billion for real estate losses, \$141 billion in increased energy costs and \$950 billion in water costs.

The money is key, according to John Larsen, a specialist on climate and energy at the World Resources Institute, a non-profit, non-partisan environmental think tank.

Because cap-and-trade programs put a value on carbon emissions where none existed before, "They are essentially creating money ... that is distributed around the U.S. economy," Larsen said by telephone.

"Any time the Congress considers policies that distribute wealth ... you can expect interesting politics."

(Editing by Eric Walsh)

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