



March 19, 2007

The Honorable Chairman John D. Dingell
U.S. House of Representatives
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Chairman Rick Boucher
U.S. House of Representatives
Subcommittee on Energy and Air Quality
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Dingell and Chairman Boucher:

Thank you for the invitation to U.S. Climate Action Network (USCAN) to provide input to the Energy and Commerce Committee as it begins its task of crafting legislation to reduce U.S. global warming pollution. We welcome your leadership on this critical issue, and look forward to working with you and other members of the Committee as you move forward.

USCAN represents a broad cross-section of advocacy organizations from across the United States working together to promote effective solutions to global warming. We represent views of science-based, environmental, faith, and conservation organizations, youth and student advocates, as well as those of local government. We appreciate your request to extend this invitation to our members. We have done so, and some of our members and allies will respond individually and in more detail to your questions at their discretion. We also wanted to provide this brief statement to convey as a group our views on this important issue.

Global warming already is causing more severe storms, heat waves, droughts and the more rapid spread of several water and pest-borne diseases. Considerable scientific evidence indicates that an additional global warming of two degrees Fahrenheit or more above today's levels will greatly exacerbate these and other dangerous impacts to ecosystems and human well-being. Sustained warming above this level also risks large-scale, irreversible changes, including the extinction of many species and sea level rise of up to 20 feet resulting from the destabilization and extensive melting of the Greenland and West Antarctic ice-sheets.

To prevent that two-degree increase, not only must the growth in worldwide emissions of heat-trapping gases be reversed within the next 10-15 years, we must begin to make real reductions in that timeframe. Most of our global warming pollution results from the use of fossil fuels to power our electric and transportation sectors.

The United States should lead the world in addressing this challenge. In doing so we can build a new energy economy that will create new jobs and opportunities for American business and farmers producing clean power, clean cars, and clean, sustainable fuels. Because American leadership is necessary to spur all nations to action, and because we contribute one quarter of the world's heat-trapping gases, progress in the United States is essential.

If the U.S. starts cutting global warming pollution now, we have a chance to prevent the worst effects of global warming. Congress must act to adopt mandatory limits on global warming pollution that begin reductions within a few years and reduce pollution by at least 15 to 20 percent below current levels by 2020. By mid-century, U.S. pollution levels need to be reduced on the order of 80 percent. To achieve these reductions, the U.S. should develop a comprehensive regulatory approach that maximizes the public benefits of reducing global warming pollution and minimizes cost to consumers.

Establishment of a declining cap on total U.S. global warming pollution is essential to setting the national framework to achieve the reductions scientists have deemed necessary to avoid global warming's worst effects. Congress should also enact additional policies that begin swift and orderly reductions in key emitting sectors.

Clean energy policies focused on specific sectors are an important part of a comprehensive, economy-wide approach. Efforts to increase energy efficiency, boost renewable energy production, and increase vehicle fuel economy are important actions that can provide initial reductions, spur technology development, and enable the long-term success of an economy-wide cap on global warming pollution. Taken together, they constitute an integral and effective strategy to spur economic innovation, economic growth, and job creation while meeting our responsibilities as a nation to address global warming.

We must act quickly. Carbon dioxide remains in the atmosphere for generations; the longer we wait, the more aggressive our actions will have to be. Delay will commit us either to making emission reductions on a much more costly crash basis later, or to inflicting truly dangerous global warming impacts on our children and grandchildren.

Many existing technologies can be deployed now to achieve these goals, and the right policies will spur investment and innovation to create new clean and sustainable fuels and technologies. These solutions will create jobs and improve our standard of living as we tackle this dangerous problem. We look forward to working with you and other members of the Committee as you undertake your work to design global warming legislation that accelerates economic growth and creates new jobs while achieving the steady reductions in global warming pollution that are needed.

Key Design Principles for Global Warming Legislation:

1. ESTABLISH AN AGGRESSIVE DECLINING AND ENFORCEABLE CAP ON TOTAL U.S. GLOBAL WARMING POLLUTION.

As noted above, to prevent dangerous levels of global warming, it is essential that the U.S. adopt mandatory limits on global warming pollution that begin reductions within a

few years and reduce global warming pollution by at least 15 to 20 percent below current levels by 2020, and on the order of 80 percent by mid-century.

A market-based program to limit global warming pollution from large emitters is a core tool for securing deep reductions in U.S. global warming pollution. Any market-based program for large emitters must not include provisions that threaten the environmental integrity of the pollution cap, such as price caps on pollution allowances. Any use of offsets must guarantee they are of high quality (real, verifiable, permanent, enforceable, and additional to baseline), and not delay transformative low-carbon investments by major emitters.

A market-based program should be combined with policies that achieve verifiable interim pollution reductions from the electricity, buildings, and transportation sectors and begin to reduce heat-trapping pollution quickly and predictably.

Key sector policies to help achieve a national global warming pollution cap:

Electric Sector: Renewable Electricity Standard and Energy Efficiency Resource Standard

A national Renewable Electricity Standard that requires the U.S. to obtain 20 percent of its electricity from renewable energy sources by 2020, such as called for in the Federal Renewable Energy Portfolio Standard Act (HR 969), would achieve substantial reductions in global warming pollution, ensure growing investment in sources of clean energy, and spur development and job creation in our domestic renewable energy industry.

A similar set of targets for energy savings for utility efficiency programs should also be set by Congress to reduce electricity demand. As with renewable energy, strong energy efficiency standards can result in significant reductions in U.S. global warming pollution from the electricity sector. Energy efficiency not only reduces global warming pollution, but also saves consumers and businesses money on their energy bills.

Transportation: Performance Standards for Vehicles and Fuels

In order to reduce emissions from the transportation sector, the U.S. must adopt performance standards for vehicles and fuels. Raising fuel economy standards or setting greenhouse gas standards for new vehicles would reduce global warming pollution, reduce our dependence on oil, save consumers money, and accelerate technology development. Congress should also ensure that the carbon content of transportation fuels decreases over time by establishing a low-carbon fuel standard.

2. USE ALLOWANCES FOR PUBLIC BENEFIT.

Legislation should start from the principle that pollution allowances under a national cap are a public trust: they are a permit to use the atmosphere, which belongs to all of us. Allowances will be worth billions of dollars each year, and their value will increase over time as the pollution cap declines, and thus should be distributed in a manner that avoids windfall profits/assets for polluters.

Under a properly designed cap, allowances should be auctioned or otherwise distributed to achieve public benefits. Revenues generated from the auction should be used for climate related public purposes, such as reducing the cost of the program through energy efficiency and conservation, spurring technological innovation, greater investment in the low-carbon re-tooling of the U.S. economy, and facilitating adaptation of fish, wildlife, and ecosystems to an altered climate.

Global warming legislation must mitigate against any disproportionate impacts on low income and vulnerable communities. The transition to a clean, low-carbon energy future will create economic opportunities and jobs in numerous sectors while requiring shifts in the economy. The distribution of total benefits and costs among people and communities should be fair and just. Revenue from the auction of allowances should fund programs that provide displaced workers with both transitional income, benefits for their families, and tuition for training in alternative fields. Revenue from the auction of pollution allowances should also help cushion any energy price increases for low income Americans.

3. AVOID A NEW GENERATION OF HIGH-CARBON INVESTMENTS.

We cannot solve global warming if we are aggressively investing in additional global warming pollution. Despite the prospect of new laws to reduce global warming pollution, some companies are rushing to build scores of new power plants that could last for 50 years or more, and would make it harder to achieve the pollution reductions needed to protect future generations. Any credible federal strategy to curb U.S. global warming pollution must prevent significant new increases in high-carbon fuel sources. New power plants should be required to meet a strong environmental performance standard of no net emissions.

A similar standard should be applied to proposed coal-to-liquids plants for transportation fuels. Such standards will ensure that investments in meeting our energy needs are not made in technologies that produce excessive pollution, and will protect consumers from paying increased costs from unwise energy decisions made in advance of global warming legislation.

4. PRESERVE STATE AUTHORITY.

Many U.S. states and municipalities have already adopted mandatory measures to reduce global warming pollution in the absence of an effective policy to curb global warming pollution from the federal government, with similar mandatory measures now being explored by additional states. Federal climate legislation should not preempt stronger state authorities and programs, or undermine the progress already made at the state and local levels. Federal legislation could be positively informed by the success of these existing state and local programs.

Thank you again for the opportunity to express our views on this critical issue.

Sincerely,



Gary Cook
Director
US Climate Action Network

On behalf of the following organizations:

National Organizations

American Council for an Energy
Efficient Economy (ACEEE)
Center for Biological Diversity
Clean Water Action
Defenders of Wildlife
Earthjustice
EcoEquity
Environment and Energy Study Institute
Environmental Defense
Friends of the Earth
Greenpeace USA
ICLEI-Local Governments for
Sustainability
League of Conservation Voters
National Audubon Society
National Environmental Trust
National Wildlife Federation
Natural Resources Defense Council
Physicians for Social Responsibility
Public Citizen
Redefining Progress
The Regeneration Project
Sierra Club
Union of Concerned Scientists
US Public Interest Research Group
The Wilderness Society

State and Regional Organizations

Alliance for Affordable Energy (New
Orleans, LA)
Bluewater Network
Center for the Celebration of Creation
(Philadelphia, PA)
Chesapeake Climate Action Network
Citizens Organizing for Resources and
Environment (Texas)
Downwinders At Risk (Dallas, Texas)
Environment Arizona
Environment New Mexico
Environment Ohio
Environment Illinois
Environmental Integrity Project (Austin,
TX)
Environmental Law and Policy Center
(Chicago, IL)
Fresh Energy (St. Paul, MN)
Interfaith Environmental Alliance
(Dallas, TX)
Keep Waco Green (Waco, Texas)
KyotoUSA (Berkeley, CA)
Ohio Environmental Council
Oregon Environmental Council
Pennsylvania Future
Pennsylvania Interfaith Climate Change
Campaign
Southern Alliance for Clean Energy
Sustainable Energy and Economic
Development (SEED) Coalition
Texans Protecting Our Water
Environment and Resources
Texas Committee on Natural Resources