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MARKUP OF H.R. 2454, AMERICAN CLEAN

ENERGY AND SECURITY ACT OF 2009

MONDAY, MAY 18, 2009

House of Representatives,

Committee on Energy and Commerce,

Washington, D.C.

The committee met, pursuant to call, at 1:10 p.m., in Room 2123, Rayburn House Office Building, Hon. Henry A. Waxman [chairman of the committee] presiding.

Present: Representatives Waxman, Dingell, Pallone, Gordon, Rush, Engel, Green, Capps, Inslee, Baldwin, Butterfield, Barrow, Hill, Matsui, Castor, Sarbanes, Murphy of Connecticut, Sutton, Braley, Barton, Hall, Upton, Stearns, Whitfield, Shimkus, Blunt, Radanovich, Pitts, Walden, Burgess, Blackburn, Gingrey, and Scalise.

Staff Present: Phil Barnett, Staff Director; Kristin Amerling, Chief Counsel; David Rapallo, General Counsel; Bruce

Wolpe, Senior Policy Advisor; Greg Dotson, Chief Environmental Counsel; Lorie Schmidt, Senior Counsel/Air Quality and Climate Change; Alexandra Teitz, Senior Counsel; Michael Goo, Counsel; Jeff Baran, Professional Staff Member; Alex Barron, Professional Staff Member/Climate and Energy; Melissa Bez, Professional Staff Member; Joel Beauvais, Policy Advisor; Ben Hengst, EPA Detailee; John Jimison, Counsel; Rob Cobbs, Professional Staff; Earley Green, Chief Clerk; Sharon Davis, Chief Legislative Clerk; Jen Berenholz, Deputy Clerk; Caitlin Haberman, Assistant Clerk; Mitch Smiley, Special Assistant; Douglas Wilder, Fellow; Miriam Edelman, Special Assistant; Valerie Baron, Special Assistant; Matt Eisenberg, Staff Assistant; Caren Auchman, Communications Associate; Lindsay Vidal, Press Assistant; Pope Barrow, Legislative Counsel at Desk; Warren Burke, Legislative Counsel at Desk; Will Carty, Minority Professional Staff Member; David Cavicke, Minority Chief of Staff; Sam Costello, Minority Legislative Analyst; Jerry Couri, Minority Professional Staff Member; Heather Couri, Minority Deputy Chief of Staff; Aaron Cutler, Minority Counsel; Garrett Golding, Minority Legislative Analyst; Chad Grant, Minority Legislative Analyst; Peter Kielty, Minority Legislative Analyst; Kevin Kohl, Minority Special Assistant; Lance Kotschwar, Minority General Counsel; Brian McCullough, Minority Professional Staff Member; Amanda Mertens Campbell, Minority Counsel; Mary Neumayr, Minority Counsel; Peter Spencer, Minority Professional Staff Member; Andrea Spring,

Minority Professional Staff Member; and Shannon Weinberg, Minority Counsel.

The Chairman. The committee will please come to order.

Today the committee is meeting to mark up H.R. 2454, the American Clean Energy and Security Act of 2009, sponsored by myself and the chairman of the Subcommittee on Energy and the Environment, Mr. Markey.

Pursuant to committee rule 9, the chairman and ranking minority member will each have 5 minutes for opening statements on H.R. 2454, and any other committee member who wishes to make an opening statement will have 3 minutes.

Without objection, the chairman and ranking member of the Subcommittee on Energy and Environment will have 5 minutes each for their opening statements. And, without objection, that will be the order.

I want to start off with my opening statement, and then we will rotate and go back and forth and call on members for their opening statements.

Our Nation is at a crossroads. Our economy is suffering. We are squandering billions of dollars to feed our addiction to foreign oil, and our environment is overheating. We can continue to look the other way and leave these problems to our children, or we can adopt a new energy policy for America.

Today we begin consideration of legislation that will finally address the major energy problems facing our Nation. We have three goals: We want, at long last, to provide energy security

for the country. We want to transform our economy by creating new clean energy jobs, developing new technologies, and creating new export markets. And we want to address the very real threat posed by global warming.

The American Clean Energy and Security Act will revitalize our economy through investment in clean energy generation and energy efficiency technologies. The legislation will create millions of new clean energy jobs, save the consumers hundreds of billions of dollars in energy costs, enhance America's energy independence, and cut carbon emissions. As President Obama said on Saturday, this legislation will, quote, "create a new system of clean energy initiatives that will help unleash a new era of growth and prosperity," end quote.

I am very proud of the work this committee has done in developing this legislation. Energy legislation is, by its nature, contentious. It can enflame regional differences. But over the last several weeks, we have been able to bridge these differences and build a remarkable coalition behind the legislation. The American Clean Energy Act is supported by business leaders, environmentalists, and trade unions. They have put aside their differences to embrace the legislation because they know it is the key to economic growth, job creation, and a cleaner environment.

My ranking member, Joe Barton, will argue that this bill will undermine our economy. He and others will claim that there is a

fundamental conflict between economic growth and clean energy. In my opinion, that is a false choice. Our economic prosperity and a clean energy future are inextricably linked.

We have faced these same doomsday predictions before. When we debated the Clean Air Act, opponents said it would destroy our economy. We passed the law, cleaned our air, and grew our economy. Our economy soared over 200 percent at the same time that our pollution was cut by more than half. When we debated the 1990 amendments to the Clean Air Act, industry lobbyists said the bill would cost more than \$100 billion per year. Even in 1990 dollars, that is more than the cost of the energy legislation we are debating today.

But under the leadership of then-Chairman John Dingell, we were able to forge lasting compromises. Mr. Dingell has played the same role in shaping the American Clean Energy Act. He has stepped into the middle of some of the most contentious issues and identified solutions that brought members together. And I commend and thank him for his leadership.

Many other members have played critical roles. Mr. Markey has been steadfast in his leadership, his determination, and his vision for the future. He has worked diligently both as the chairman of the Energy and Environment Subcommittee and as the chairman of the Select Committee on Global Warming.

Mr. Boucher crafted a compromise of the global warming title that bridged the differences between industry and environmental

groups. Mr. Doyle and Mr. Inslee showed us the path for protecting our industrial heartland. Mr. Green and Mr. Gonzalez crafted revisions that addressed concerns of oil refiners. Mr. Butterfield and Mr. Rush have worked to protect the interests of low-income consumers. And Ms. Sutton developed an innovative cash-for-clunkers proposal.

On issue after issue -- protection of consumers, energy efficiency, investment in research and development, electric vehicles, transportation planning, international deforestation, and many others -- members of this committee proposed good ideas and pragmatic and effective solutions to difficult problems.

We have also reached out repeatedly to members on the Republican side. Where we received suggestions, we have tried to incorporate them. Over the course of this week, we will listen to the Republican ideas and incorporate them where we can.

The bill we are considering today is a strong bill. It will break our dependence on foreign oil, make our Nation the world leader in clean energy jobs and technology, and protect our children from dangerous carbon pollution. I look forward to the markup and reporting this bill favorably to the full House.

I now want to call on Representative Barton, ranking member of the committee, for his opening statement.

Mr. Barton. Thank you, Mr. Chairman.

Thank you for your hard work on this issue. It is an issue that you and I have a fundamental disagreement about, but there is

no disagreement about the sincerity of your efforts and those on your side of the aisle. And I hope that there is no disagreement about the sincerity of the efforts of the Republicans on the minority side of the aisle to address this in a professional and, let's say, informational way as we go through the markup.

At some point today it is my understanding that you are going to offer a manager's amendment in the nature of a substitute. It is my understanding that it is basically the bill that was finally unveiled last Friday with an additional 16 pages of text. I am told that it adds up to 948 pages, which is a growth rate of about 50 percent over the draft that you and Chairman Markey released several months ago.

There have been numerous days of hearings and quite a few witnesses on the generic issue, but on the actual guts of the bill, the allowance system and the mechanics of that, there hasn't been a hearing at all. In our discussions last week, you indicated that you intended to go to markup without there being even 1 day of hearing on that very important part of the bill.

I think that is a mistake. I think, when you are about to embark on an episode of putting the entire American economy, which is the world's largest, through an absolute economic ringer, it would be beneficial to the public to have at least 1 day's worth of hearing on that important part of the bill. But that is just my -- I don't know how to say this, but that is just my wish, that we could actually have some transparency in that part of it.

We do know, from what we have gleaned in the fact that the guts of the bill are now public, that the cost is going to be astronomical. Now, why do I say that? There are about 7 billion metric tons of man-made CO₂ that are emitted each year, or at least last year, by the U.S. economy. Now, I don't know what the bill that is going to be introduced actually uses as its baseline, and it may not be that baseline. But, supposedly, 85 percent of the allowances have been given away. Well, that leaves 15 percent. Fifteen percent of 7 billion is about 1 1/2 billion metric tons.

Now, we don't know what the cost of these tons is going to be. Your manager's amendment uses a number of \$10 a metric ton. I have seen estimates as high as \$200 a ton. EPA used \$20 a ton. Most neutral economists use \$50 to \$100 a ton. So pick your number. Even at \$10 a ton, that is \$15 billion a year. If you go up to \$200 a ton, that is \$300 billion per year.

Now, to put that number in perspective, Mr. Chairman, the entire revenue generated by the electricity network of our country in 2007 was about \$400 billion -- \$400 billion. So, no matter what number you use, you are going to put a significant cost on the American economy.

And what is the environmental benefit? According to scientists who support the legislation, the environmental benefit is less than 1 degree Fahrenheit in the next 100 years. Now, we know the cost is significant. We know the environmental benefit

is basically nonexistent. We also know that we are going to have a markup on a bill that, until Friday around 3 o'clock, outside of the rooms that you have been sitting in negotiating the parameters of the allowance giveaway, nobody has seen.

So the Republicans are going to have a number of amendments. We are going to have a complete substitute that we released last Thursday that I will offer at the appropriate time. Our substitute does not have cap-and-trade in it. Our substitute does have a renewable -- what we call a clean energy standard.

So we believe that, at the appropriate time, if enough members of the majority will join us, we could offer an amendment that could pass, wouldn't wreck the economy, would have some economic benefits, and wouldn't do any environmental harm.

I see my time has expired, Mr. Chairman, so let me simply say we look forward to this week. We are glad that you have decided to go to markup. And speaking on behalf of the Republicans, we are fully prepared to engage in a very positive way this week.

The Chairman. Thank you, Mr. Barton.

Mr. Markey?

Mr. Markey. Thank you, Mr. Chairman.

I particularly want to thank you, Mr. Chairman, for your historic leadership and your tireless efforts to produce this consensus product. It is quite the moment in time. And I congratulate you for that.

I, like you, Mr. Chairman, was first elected to Congress when

Gerald Ford was President. And I believe that this bill is the most important, far-reaching legislation in our more than 3 decades on the Energy and Commerce Committee. It combines two of the great imperatives of our time: the economic necessity to create millions of new clean energy jobs; and the national security necessity of ending our dangerous dependence on foreign oil while reducing greenhouse gas emissions into the atmosphere.

It has been over 35 years since President Nixon first called for America's independence from foreign oil, yet we continue to bleed billions of dollars every year to OPEC. America invented both solar and wind technologies, yet we continue to hemorrhage jobs overseas and watch other companies take the lead in developing 21st-century clean energy innovations.

And do not be fooled by the siren song of low gas prices. Just as we know the American economy will come roaring back, so, too, do we know that a return to \$4-a-gallon gasoline looms just over the horizon. We know it is coming. And that is why we are here today: not simply to declare our energy independence, but to take aggressive action to guide our country forward into a clean energy future.

After decades of fits and starts, today we have a rare opportunity to put people back to work with millions of clean energy jobs and to improve our global climate. With this bill, we will stand up and say "no" to OPEC oil ministers holding America hostage. We will create good-paying jobs that cannot be sent

overseas.

As we work to craft this historic legislation, we made sure that every region of the country in every sector of the economy had a seat at the table. This bill offers a comprehensive solution to our energy, national security, and economic challenges. It stands tall because it rests on a foundation of a compromise reached with business leaders, labor unions, and environmental activists who worked with us to craft a policy that will create new clean energy jobs and unleash investment in clean energy technologies.

This bill is a collaborative effort that reflects the contributions of the committee members. This compromise would not have been possible without the work of all of the members on our committee: Rick Boucher, for his work on the coal and utility provisions; Chairman Dingell and Betty Sutton, for their work with the auto industry; Mike Doyle and Jay Inslee, who worked so hard to protect workers in trade-exposed energy-intensive industries; Gene Green and Charlie Gonzalez, for their work on oil issues; Bart Gordon, for his work on energy research and development; Mr. Butterfield and Mr. Rush, for their work to protect low-income Americans. But I could go down and mention every single member who worked with us to craft this policy before us today.

Overcoming conventional wisdom is never easy, but we worked hard to produce a consensus product. This bill is about protecting our national security, our pocketbooks, and our planet.

This bill is about America reclaiming its rightful place as the world's leader in clean energy technology. It sends a clear signal that America is ready to lead in developing the clean energy technologies of tomorrow and ready to take the lead in making clean energy the profitable kind of energy.

In short, we have a chance now to do what we all came here to do: to help make a better America, a stronger America, an America that leads rather than follows, an America that sells rather than buys, and an America that innovates rather than stagnates.

This bill is our chance to do that. This bill offers the chance of changing our economy for the better for decades or even centuries to come. This week we all get a chance to make a choice. I choose a clean energy future, And I hope that all of our colleagues will join me in that effort.

The Chairman. Thank you, Mr. Markey.

Mr. Upton?

Mr. Upton. Thank you, Mr. Chairman.

I do want to reduce emissions of carbon and promote the development of clean energy, whether it be clean coal, using carbon capture; whether it be increasing renewables like wind, solar, and hydro; and certainly to turn the switch back to green on nuclear, creating tens, if not hundreds, of thousands of good-paying jobs.

We know that our country is going to require 30 to 40 percent more electricity in the next 20 years. And we know that we

haven't put in a new nuclear reactor online in the last 20 years and not a new coal plant in the last couple.

I returned from Michigan this morning. Our economic woes are well-known. Every one of my counties has double-digit unemployment, and our State average could well hit 20 percent by the end of the summer. One of Michigan's largest utilities, DTE, has one in three customers today in arrears, with perhaps \$400 million or \$500 million in uncollected bills for the year.

Folks don't want a handout to help pay their bills. They want a job and they want a paycheck to send their kids to college, to pay their bills, and to save for retirement.

Mr. Chairman, I care a lot about American jobs in our global climate. And, from the start, I have said that climate legislation should adhere to five principles: one, provide a tangible environmental benefit to the American people; two, advance technology and provide for opportunity to export; three, protect American jobs; four, strengthen U.S. energy security; and, five, require global participation.

We have heard story after story that this cap-and-trade scheme. If it sticks -- by design, increasing costs for employers in this country -- there will be even more incentives to close up shop here and move someplace else, whether it be China, India, Brazil, you name it, where they don't have anywhere close to the environmental regulations and set up shop there.

China emits, we know, three times the amount of carbon per

ton of steel produced at U.S. facilities here. What good is there for the planet to shift production from the U.S. to China? China is bringing a new coal plant online virtually every single week. Does anyone here think that they have the same requirements that we do?

I support renewables. But a question we have asked over and over is, where is the legislative language to connect wind and solar to the grid? And, as we look to what is counted as renewable, where is hydro? Shouldn't existing hydro count, and why is it so hard to bring new hydro online? Why is it that France can have nearly 9 percent of its electricity generated from nuclear -- greenhouse gas emission-free, by the way -- and take only 5 years from start to finish for a new plant, while we can't get barely above 20 percent and it takes us 8 to 10 years? And in this thousand-page bill that was released last week, nuclear is referenced only twice, page 23 and page 351.

France, China, Spain, the U.K., India, the rest of the world, they can all get nuclear increased production, and we have been unable to. And by shutting down nuclear, we have actually flipped the percentage of domestic content. That is right. What once was 85 percent of the components produced in this country for a new nuclear facility is now 85 percent from someplace else.

I would like to vote for a bill, not only in this committee, but also on the House floor. But this version doesn't pass the test. John Engler, the new president of NAM, said that the

enactment of this legislation could indeed lead to a permanent recession. I agree. The last thing that our economy needs right now is higher costs on consumers that, in the Midwest, could increase utility bills by perhaps 40 to 50 percent. The further leakage of jobs is certain without global participation, and the record is clear that the largest emitter of all, China, can hardly wait for us to pass this bill.

I intend to support constructive amendments and to fix the bill. Now, the Senate voted 67 to 31 last month to reject cap-and-trade as part of the budget, and I would hope that we might be able to do the same.

In closing, the American people deserve to know and understand the scale of the emission reductions being called for in this bill. Under this act, the U.S. cannot emit more in the year 2050 than we emitted in 1910. Consider that in 1910 the U.S. had only 92 million folks, compared to an estimated 420 million by 2050. In 1910, per capita income in current dollars was about \$6,000.

To reach the lofty goal of 83 percent reduction, emissions from the entire transportation sector would have to drop to zero, emissions from all electricity generation would have to drop to zero, and then we would still need to reduce the remainder by 50 percent. I am not sure that this will fly with the American public.

I yield back.

I just have a unanimous consent request to put Mr. Buyer's statement into the record, as well.

The Chairman. Without objection, that will be the order.
Thank you, Mr. Upton.

[The information follows:]

***** COMMITTEE INSERT *****

The Chairman. Mr. Pallone?

Mr. Pallone. Thank you, Mr. Chairman.

I want to first commend you and Chairman Markey, as well as your staff, on crafting this important piece of legislation. Today marks the first step in America's transition to a clean energy economy and energy independence.

And the American people are ready for action on energy. They will no longer accept the status quo that rewards polluters and big oil. The American Clean Energy and Security Act is the most comprehensive energy legislation in our Nation's history. The bill creates millions of new clean energy jobs, helps to reduce our dependence on foreign fossil fuels, sets a limit on greenhouse gases, and protects the Earth from the effects of global warming.

There is a tremendous potential in clean energy investments, and one of the most important things we must accomplish with this bill is to begin the transition from traditional fossil fuels to a clean energy economy. By setting a limit on carbon pollution, we will be sending a price signal to energy producers to generate cleaner forms of energy. This will spur investments into retooling manufacturing plants, building wind turbines and solar panels, and retraining workers. This legislation will also create jobs that can't be shifted overseas, through the building of a smart grid and improving energy efficiency of our homes and our buildings.

One of my top priorities throughout this process has been to establish an aggressive renewable electricity standard. New Jersey has one of the most aggressive renewable electricity standards in the country, requiring that 20 percent of our electricity needs come from renewable energy by 2020. And New Jersey is one of 28 States that require a renewable energy standard. Thanks to these laws, all of these States are experiencing faster growth in renewable energy. Just imagine what we could accomplish with a national RES.

The renewable electricity standard in this bill will begin the transition to a clean energy economy, pushing new energy industries and the businesses and jobs needed to support it. However, this is only a beginning, and States can still push for more aggressive standards.

Moreover, New Jersey has the potential to produce a significant amount of renewable injury from offshore wind. I would like to thank both chairmen for adding marine spatial planning in the bill. This language calls on all relevant Federal agencies to jointly conduct a study of the potential for development of offshore renewable energy facilities in a manner that protects and maintains coastal and marine ecosystem health. For coastal districts like my own, it is important that we develop renewable offshore energy in a way that is environmentally responsible.

Now, there are a lot of people, Mr. Chairman, saying "no" to

this clean energy bill. They say we can't afford it; they say it is an energy tax. And I say we can't afford not to pass the bill. We need to move forward on a comprehensive energy restructuring in this country, which must include a stronger alliance on clean energy and energy efficiency. And this bill is a great first step towards our investment in that clean energy economy.

Thank you again.

The Chairman. Thank you very much, Mr. Pallone.

Mr. Hall?

Mr. Hall. Thank you, Mr. Chairman.

Today, of course, we are starting the makeup of H.R. 2454, but I ask the question: Should we?

And I admire the chairman and Mr. Markey for their statements and lauding those that they have been working with, because it tells me that there are those who question this bill, that they are not all to the left of the Chair, but they represent districts that are deeply troubled by this bill. Obviously, they are troubled by it.

A piece of legislation this massive, this expensive, this game-changing deserves to have the benefit of the full process. But that is not to be. Subcommittee markup was skipped. And this bill, 284 pages longer than the draft that was introduced on Friday afternoon after members had all gone back to their districts for the weekend, was moved straight to full committee.

And the reason we are here and for the rushed schedule is,

quote, "because the committee needs to start working on a health care bill," unquote. We are scrapping process for an arbitrary schedule. I think that is a mistake.

A bill that, according to The Heritage Foundation, has the potential to increase costs to each family in the United States \$4,800 a year -- \$4,800 a year -- deserves not only more hearings on the newly introduced parts of the bill, arguably the most important parts, but also a committee markup process that is as thorough as it could be.

Now, why do we need to rush this bill through at the expense of thorough examination? What we haven't discussed is how much has already been done to reduce greenhouse gas emissions, how companies have already made the commitment to move towards cleaning up their businesses and using energy more efficiently without Federal regulations.

As an example, since 1990, the industrial sector's total energy consumption increased by only 1 percent while increasing the total industrial value by shipments by 31 percent. As well, the industrial sector's direct and indirect carbon dioxide emissions in 2006 are below the 1990 level. According to the testimony from Industrial Energy Consumers of America, and I quote, "Manufacturing processes are operating at their technical limits, which should urgently place a priority on private-public partnerships in research and development." They don't need regulations to keep them and help them reach further reductions;

they need technology.

In a time when our economy is down, when our businesses are closing and our jobs are being lost, we don't need to further burden our country with this bill that has the potential to reduce aggregate gross domestic product by \$9.6 trillion, destroy 1.1 million jobs on average, raise electricity rates 90 percent after adjusting for inflation, and raise inflation-adjusted gasoline prices by 74 percent.

Mr. Chairman, our country can't afford this bill. If, by this time, you don't know that you have to mark doubtful by my name, why, I want to tell you, I can't go with you, old partner. I respect you, admire you, you are a hard worker, your word has always been good to me, but I have to leave you this time.

I will yield back whatever time I may have.

The Chairman. Thank you, Mr. Hall.

Mr. Gordon?

Mr. Gordon. Thank you, Chairman Waxman. We have a lot to do this week, so let me be very brief.

Global warming is real. It is a serious matter. And I want to thank Chairman Waxman and Chairman Markey for the collaborative atmosphere that they developed in bringing about this bill. I think that is evidenced by the large industry associations as well as different groups that are supporting the bill.

I also think that it is important that we increase our use of alternative energy, not only for clean energy but also to help us

move towards energy independence. Unfortunately, is well-documented that different regions of the country have different accesses to those alternative energies. And I am pleased that we were able to put together a bill that makes some regions stretch but is not punitive to any region.

And, once again, good work, and thank you, and let's move on.

The Chairman. Thank you very much, Mr. Gordon.

Mr. Whitfield?

Mr. Whitfield. Mr. Chairman, thank you very much.

And I also want to commend the majority side for the great work that they have done on this legislation. But I would also like to point out that this is what a democracy is all about, to having an open debate and to give all parties an opportunity to discuss this legislation.

We think that there are significant problems with this legislation. We know that groups around the country right now are going through this legislation thoroughly because no one can truthfully say what the impact of this legislation will be, except that we know that it is the most comprehensive, complex bill to address our economy and climate change that has ever been introduced in the United States Congress.

There are two parts of this bill, of course. One part deals with the type of fuel and technologies that we must have for transportation purposes and efficiencies. And there is probably less controversy about that, but I must say that it is so minute

and it is so micromanaging that it affects commercial hot food cabinets, bottled water dispensers, portable spas, and other things. But the part of this bill that causes great concern among many people is the cap-and-trade proposal that would affect dramatically the way electricity is produced in America.

And one part of that has to do with renewable energies. And I know when President Obama was in Europe, he specifically reported and pointed to Spain and the success that they had had using renewable energy and particularly on the jobs being created.

I would like to read from an article in the New York Post: "Green jobs based on top-down subsidies are, of course, unsustainable." That is what this legislation does; it subsidizes green jobs. "The Spanish Government has recently had to reduce its subsidies to solar by 30 percent. The green industry is now in retreat, and green jobs, too, are being lost by the tens of thousands."

They go on to say also that the money spent for subsidies in Spain, if that money had been spent for traditional industries and technology, they would have produced 2.2 jobs for every one job produced by the subsidies. And as a result of those subsidies and the mandates for renewables in Spain, they have in excess of a 17 percent unemployment rate.

And at a time when our economy is weak and no one can say with certainty, except to say that we know that this bill is going to be particularly expensive, we jeopardize our global

competitiveness in the world, and we are very much concerned about the loss of jobs that will be the result of passing H.R. 2454.

The Chairman. Thank you, Mr. Whitfield.

Mr. Dingell?

Mr. Dingell. Mr. Chairman, thank you. I commend you for putting forth a good bill. This is a bill that I think I can support. I commend you for working with me and other members of the committee to abate our concerns with the initial draft.

The work on this bill began in the 110th Congress, and I am pleased that you, Mr. Chairman and Mr. Waxman, used much of the Dingell-Boucher climate draft from last year as a basis for proceeding on this piece of legislation before us today.

I have a regret, and that is that our colleagues on the other side of the dais chose not to work with us on the bill. The best legislation, I have always said, is best crafted in a bipartisan manner. And it is disappointing that our Republican colleagues chose the path of rejection rather than working with us in a constructive manner.

The renewable electric standards in this bill, RES, is the rationale to meet an aggressive but achievable benchmark. The bill also addresses carbon capture and sequestration, CCS. And I am pleased with the approach followed in this bill, which is largely based on language proposed by Mr. Boucher.

The fleet modernization program that I hope will be added to this bill through an amendment will be offered by Ms. Sutton and

cannot come at a more appropriate or proper time.

I am glad that this bill directs the distribution of allowances to spur advanced technology vehicles, including financial assistance for retooling existing factories for the manufacture of electric vehicles and financial assistance for regional development and integration of grid-connected vehicles.

The bill also directs allowances to States for renewable energy and energy-efficiency purposes. And, at my request, some of these allowances will also go to local governments, which will have substantial needs in this matter.

As we address this important issue of climate change, it is also extremely important that we protect our people from economic harm. And this bill goes a long way to protect consumers, particularly with special assistance to low-income Americans. Additionally, the bill protects trade-vulnerable industries from foreign competition that do not have to meet the same greenhouse gas reduction standards.

I will have some concerns with this bill, however, that I hope we can address as the bill moves forward, whether included in the bill as passed by the committee or on the floor. I continue to believe the President's proposed 14 percent greenhouse gas reductions by 2020 is a better approach. Additionally, I intend to offer an amendment to add essential language to substantial a clean energy investment bank to fund the research and development, as well as the development of zero carbon energy sources.

Finally, I am pleased that this bill includes the dedicated allowance for natural resource adaptation. Theodore Roosevelt, one of my great heros, taught us that conservation is a great moral issue, that it is our duty, as it ensures safety and continuance of the Nation. And it is an important duty of ours to following generations.

This is a good bill. I intend to support it. I commend the chairman and all the Democratic members of the committee for the diligence and hard work that they have put into this bill.

Thank you, Mr. Chairman.

The Chairman. Thank you very much, Mr. Dingell.

Before I recognize another member for an opening statement, I want to indicate to you that, under your leadership as chairman, we were able to forge lasting compromises. And I want to thank you for the key role that you have been able to play in this legislation that is before us today. You have stepped in the middle of some very contentious issues and identified solutions that have brought members together. And I am very grateful to you.

Mr. Dingell. You are very gracious, Mr. Chairman. And I want to tell you how much I appreciated working with you.

The Chairman. Thank you.

Mr. Stearns?

Mr. Stearns. Mr. Chairman, thank you.

The gentleman from Michigan, Mr. Dingell, indicated that we

are not working with him. Let me remind him that the piece of legislation in the nature of a substitute was given to us 1 hour ago. Now, the original draft that came out was about 750 pages, and then that wasn't too long ago, and then they had 285 pages of additional text that they added, again, without any support or any knowledge of the minority. In fact, the entire bill before us today is merely a placeholder, my colleagues, to help hide the true cost of the majority's 946-page cap-and-tax scheme that was unveiled, as I mentioned, less than an hour ago.

With our Nation, my colleagues, struggling in the worst economic crisis in 70 years, the majority should not be risking further economic damage by forcing through this committee a hastily crafted and incomplete carbon emissions mitigation scheme that essentially amounts to an over \$2,000 energy tax on every American family.

The intellectual architects of the cap-and-trade tax plan acknowledge higher energy prices would result from emission caps, especially if we do it alone in this country. This will force manufacturers and small businesses to absorb the cost of higher energy prices, which they will do by raising prices, cutting costs by laying off employees or simply closing their doors.

And that is precisely why various members of the majority have been working feverishly behind closed doors to secure hundreds of billions of dollars in free allocations for industries within their States and in their congressional district. We

should all be concerned, my colleagues, by a legislative process that essentially uses the allocation provisions in this legislation to reward members and industries for their support.

Now, the Democrats call this cap-and-trade. We call it cap-and-tax. The real name for this "bait and switch." The Democrats, in a lot of these districts were against this bill before they swallowed the bait and now have switched their support for this bill. Renewable energy programs should be based on customer demand, regional differences, and appropriate incentives, not on unrealistic Federal mandates that selectively penalize electricity consumers in certain regions of this country.

Any meaningful effort to achieve long-term sustainable reductions in global greenhouse gas emissions will depend on the development and deployment of the new energy technology, including clean coal technologies and carbon capture and sequestration. The rapid development, demonstration, and widespread deployment of such technologies are of paramount importance in any reasoned and effective effort to address climate change concerns.

Expansion of nuclear power production in the United States must also be part of any realistic legislative package to address carbon dioxide reductions. It is simply not realistic to include nuclear energy.

So, Mr. Chairman, I thank you for your time, and I look forward to the markup.

The Chairman. Thank you very much, Mr. Stearns.

Mr. Rush?

Mr. Rush. Thank you, Mr. Chairman.

Mr. Chairman, I would like to thank you, Mr. Markey, and the very capable and hardworking staff on the committee for the great effort that you all have demonstrated in reaching out and making this a very collaborative and inclusive process.

I also applaud you, Mr. Chairman, for personally meeting with me to discuss the issues I addressed in the letter I sent to you on April the 30th, which outlined the priorities that were so important to me and my constituents.

This is a good bill, Mr. Chairman, a very good bill. This bill addresses my most pressing concern, that provisions to help low-, moderate-, and middle-income families are included through a variety of mechanisms. This legislation helps families pay for rising energy costs associated with this bill by offering allowances to electric and natural gas utilities in order to help them subsidize consumers' energy bills.

However, as the Center on Budget and Policy Priorities, whom I have worked closely with, noted in their report, rising energy bills would only account for part of the costs that low-income families will face. So the inclusion of allowances for direct support through rebates and EBT cards to low-income families is something that I pushed for and I am very happy to see that it is included as a part of this bill, Mr. Chairman.

I am also encouraged by your pledge to work with me on

addressing my other priorities, including ensuring that new quality green jobs for low-income communities, as well as funding for minority- and women-owned businesses will also be a result of this bill.

The inclusion of language from my office establishing the Low-Income Community Energy Efficiency Program, or LICEEP program, is a great start to addressing these concerns. The LICEEP program will provide grants to private, nonprofit, mission-driven community development corporations, including community development organizations and community development financial institutions, in order to increase the flow of capital and benefits to low-income communities as well as to minority- and women-owned entrepreneurs and businesses. This will spur new projects and activities in low-income communities designed to reduce environmental degradation, foster energy conservation and efficiency, and create jobs and businesses for low-income residents.

So, Mr. Chairman, even though there is a lot more to be done, I look forward to continuing working with you and your staff to address these issues further. And I also look forward to a vigorous and substantive debate as we seek to create new jobs, rejuvenate our economy and our environment, and move forward into energy efficiency and security.

With that, I yield back the time that I have remaining.

The Chairman. Thank you very much, Mr. Rush.

Mr. Radanovich?

Mr. Radanovich. Thank you, Mr. Chairman. I want to thank you, first, for holding this markup on the American Clean Energy and Security Act and ask that my full remarks be submitted for the record.

The Chairman. Without objection, that will be the order.

Mr. Radanovich. Thank you, Mr. Chairman.

I will be blunt. This legislation dramatically alters the way our current economy is structured. This bill mandates top-down, centrally planned, government-run environmental socialism on the American economy. There is not an industry or a person in this country whose pocketbook will not be negatively impacted by this bill through a hidden tax scheme called cap-and-trade.

Keep in mind that I am extremely disappointed in the process through which this bill has come to the full committee. I think the American people deserve better than legislation that will tax each and every American, directly or indirectly, in literally every aspect of life: each time they flip a light switch, fill their car with gas, buy food at a local grocery store, charge their cell phone, or use their computer.

The renewable energy mandates in carbon dioxide emission reduction requirements in this bill are the outcomes of environmental alarmism. If you want to see the ramifications of bad law-making in the name of environmental alarmism, you need to

look no further than the Endangered Species Act, which is currently costing California 40,000 agriculture jobs and over \$2 billion worth of income in the San Joaquin Valley, which I represent.

California is practically the birthplace of environmental alarmism, by adopting its own renewable energy standard and carbon cap-and-trade scheme. It is killing business and driving people out of the State in record numbers. George Will recently noted that, for 4 consecutive years, more Americans have moved out of California than have moved in and that California's business costs are more than 20 percent higher than the average State's. By no consequence, California has the country's highest energy rates, sometimes three or four times that of other States.

After watching California self-destruct due to overspending, overtaxing, and overregulating, the State now has a \$42 billion budget deficit. It is incomprehensible to me that this Congress would want to follow any type of an example set by California's failed experiment of energy and fiscal policies.

The extent to which the American consumer is going to pay for this bill cannot be overstated. This bill will cost hundreds of thousands of jobs. The weight of the new taxes associated with this bill will break the backs of some families, forcing them out of their homes and into the street. America will lose its competitive edge in our global economy as we regulate ourselves into economic obscurity, allowing countries like China and India

to outpace our productivity. This legislation will make it far too expensive to conduct business in America.

Mr. Chairman, I am thankful that the committee is getting the opportunity to mark this bill up, and I look forward to participating in that process this week and hopefully reporting a dramatically different bill out of this committee.

Thank you, Mr. Chairman. I yield back.

[The information follows:]

***** COMMITTEE INSERT *****

The Chairman. Thank you, Mr. Radanovich.

Mr. Engel?

Mr. Engel. Thank you, Mr. Chairman.

Mr. Chairman, I am very torn about this bill, and let me tell you why. On the one hand, the American Clean Energy and Security Act is a comprehensive effort to develop a new energy policy for America. It makes significant advances in clean energy and energy efficiency; it places limits on emissions of heat-trapping pollutants; it addresses global warming; and it protects consumers and industry while promoting the creation of clean energy jobs. That is the good news in the bill.

But there are disappointments. Mr. Chairman, I believe with all my heart that this country should be moving with speed to ensure that every car manufactured in America is a flex-fuel car, meaning that it can run on either ethanol, methanol, or gasoline. It would cost \$100 or less for each car manufactured in America to do that. Brazil has done that, and it has done it with success.

I believe that 50 percent of new cars sold in the U.S. by 2012 and 80 percent by 2015 should be flex-fuel vehicles. I believe that competition and consumer choice in the transportation fuel market would serve to end oil's monopoly in the transportation sector, strip oil of its strategic status, and protect consumers from price hikes at the pump.

And open fuel vehicles already exist. The Detroit Three have

repeatedly committed to making 50 percent of new cars flex-fuel vehicles by 2012. And it is a simple and inexpensive modification that should be standard in cars, like seatbelts or airbags.

I asked President Obama at the White House about this policy; he agrees with me. Just yesterday, I asked Secretary Chu, Energy Secretary Chu; he says, yes, this is a good policy, we should be doing this. But no matter how hard I tried, Mr. Chairman, I couldn't seem to get this important language in the bill.

In addition, many compromises have been made, watering down the bill. People are in my office in New York right now, as we speak, saying that there have been too many compromises. I understand that sometimes compromises have to be made in order to pass a bill, but I find it incomprehensible that compromises were made watering down the bill with others that don't share our view, but when it came to a real compromise on flex-fuel cars none could be made.

Mr. Chairman, I know that you have worked very hard on this bill, and I respect the work. And I know that this bill generally takes us in the direction that you and I would like to go. I would like to vote for this bill, Mr. Chairman, but I am not sure that I can vote for the bill in its present form without strong flex-fuel language that means something, not just words that have no teeth. I hope we can make some changes as the bill moves forward.

And I yield back the balance of my time.

The Chairman. Thank you, Mr. Engle.

Mr. Walden?

Mr. Walden. Thank you, Mr. Chairman.

I am looking forward, I guess, to this markup. This may not be a good bill, from my perspective, but it is certainly a big bill; 932 pages made available for the first time Friday evening, as I was flying out to Oregon. I have to confess, I have not made my way through the bill. But in the first 33 pages that I was able to get through before I flew all night back here, I remain troubled.

I remain troubled by the confusing definitions that are part of this language. While there is improvement on its face on the biomass provisions, which I have spoken about a lot, I still believe there is language underlying those changes in definition that basically preclude the removal of woody biomass off Federal lands that are most affected and most in need of treatment.

In the West, we have enormous fires every year. We are going to go right into fire season soon. The woody debris that would come off those Condition Class II and III lands is most likely excluded by the provisions in this bill that would prohibit it from being considered renewable if it comes off of old growth or mature stands.

Second, new hydro. You continue, Mr. Chairman, to have language in this draft -- and I understand you have another draft amending this draft, which we will get soon, that is bigger than

the draft of 932 pages -- but you continue to say that hydro-electric project installed on the dam is operated so that the water surface elevation at any given location and time that would have occurred in the absence of the hydro-electric project is maintained.

The long and short of it, you can't add hydro to an existing facility, use it as a battery to help even out the power curve for wind energy, and not affect the elevation of the water behind the facility at some location and time. I don't think it is possible, from an engineering standpoint, to do that.

So, on the one hand, you would lead people to believe that new hydro added to an existing facility will count as a renewable energy source, and yet the language found on page 15, beginning with line 12, basically, I believe, negates that possibility.

So you rule out new hydro. You do make a change to go back to hydro that has been in existence since 1992 as opposed to I believe it was 2000. I would be curious to know why 1992 now is a good date forward for hydro to be considered when, a few weeks ago, it was not and why that date was picked.

We will go through this bill. I wish we had time for a hearing; I really do. This is probably the most sweeping change in energy law and environmental law perhaps in the last 100 years. And I think you would even have to admit to that, that it is enormous change. It is a change that will have generational effect for our kids and grandkids to come. It could have enormous

consequences on the economy, some good, a lot bad. And every consumer will pay more for energy; even members of your own party have said that. Mr. Butterfield, among others, is quoted as saying that. I think a policy that big deserves this committee's thoroughness in allowing people affected to come testify on the specifics of these issues.

So, my time has expired for now, Mr. Chairman. Thank you. And I look forward to moving along in the markup.

The Chairman. Thank you, Mr. Walden.

Mr. Inslee?

Mr. Inslee. Thank you, Mr. Chair and Mr. Markey.

They have brought us to a historic day. And I think today is a historic day of the nature of July 16, 1969. On July 16, 1969, the country was very optimistic when we launched the original Apollo Project to the moon. Some people were pessimists, but the optimists said that Americans could invent the technologies that were necessary to go to the moon, and 4 days later we landed safely. I am hopeful that, 4 days from today, we are going to have a bill that will be similarly optimistic.

Those who will support that bill are optimistic about technology and against pollution. Those who will not support the bill are pessimistic about technology and for unlimited pollution. We are the optimists on this bill. And we have optimism for a very good reason: America is the most innovative, the most creative, the most entrepreneurial society on the face of the

world ever. And this bill will send the signals for the investment that will go into the multiple technologies to solve this problem.

Now, I also may add, there are those who believe a limitation, a ceiling on the pollutant carbon dioxide is somehow a communist plot, alien to the American values system.

RPTS MERCHANT

DCMN HOFSTAD

[2:08 p.m.]

Mr. Inslee. Let me suggest that is not true. We have stood up against the pollutant nitrogen dioxide. We have stood up against the pollutant sulphur dioxide. We have stood up against the pollution of particulate matter. Today we are going to stand up against the pollutant carbon dioxide. This is as American as apple pie.

And I am very pleased that I have worked with others to try to shape this bill to make sure it is economically productive. The Inslee-Doyle approach -- by the way, I don't have a lot of steel mills or aluminum mills in my district, but I understand that we have to preserve the jobs across the country of old technologies as well as new ones. And the Inslee-Doyle approach, I want to say too, is a message to China: You have to join us because we are going to take care of our steel, aluminum, and other industries as well.

I would also like to make the point that we are not done yet. We have more work to do on this bill to improve transmission siting. I look forward to working with Mr. Dingell on the clean energy bank. I am hopeful that we can move forward with jet fuel.

But I just want to make one closing comment. I want to quote this thing very briefly, a little statement about what is really at stake here: "And God said, 'Let there be light,' and there was

light. And God saw that the light was good. And to every beast of the earth and to every bird of the air and to everything that creeps on the earth and everything that has breath of life, I have given every green plant for food, and it was so. And God saw everything that he had made, and, behold, it was very good." And it is very good. And today we are taking a historic step to make sure that it stays very good.

Thank you, Mr. Chairman.

The Chairman. Thank you, Mr. Inslee.

Mr. Pitts?

Mr. Pitts. Thank you, Mr. Chairman.

Today begins the markup of perhaps the most important energy bill this committee has ever considered.

Mr. Chairman, like all of us, I believe we should work to decrease the amount of greenhouse gas emissions in our atmosphere and that we should be good stewards of this Earth and its resources. However, I do not believe this bill, the text of which we received Friday afternoon, will accomplish a dramatic decrease in greenhouse gas emissions; yet I believe it will have a crippling effect on our economy for years to come.

Before discussing the provisions in this bill, I would like to take a moment to talk about the legislative procedure regarding this bill. While we had some text of the discussion draft for over a month now, we did not see the actual text of this bill, as was said, until Friday afternoon at 3 o'clock -- 932 pages, I

might add. A mere 3 days later, we are supposed to amend it. We have no score from CBO yet. The Congressional Research Service has not had time to analyze it. And I would venture to say that only a handful of members and their staffs have actually read the bill in its entirety.

It is my understanding that Ranking Member Barton asked for additional hearings once we had the entire bill, so that we can fully discuss and debate what is actually in the bill, and his request has been denied. I do not believe this process has been transparent, quote, "so that the American people can know exactly what decisions are being made and how they are being made," end quote, as President Obama promised.

Regarding the provisions in this bill, it will still irreparably damage our economy, despite the new provisions that are supposed to protect the consumer. No matter how it is doctored or tailored, it is a tax, it is a national energy tax, that will hurt each and every household. It will destroy sectors of our economy and cause job losses at an unprecedented rate.

We should be protecting our environment through innovation, through encouragement, through entrepreneurship and cooperation. But this bill tries to cut carbon emissions through punishment, taxation, the heavy hand of big government, and litigation. We should be creating jobs by encouraging entrepreneurship, competition, and new technologies. Instead, this bill is going to cost countless working men and women their jobs and then try to

take care of them by putting them on the public dole. That is wrong.

The bill, as previously drafted and analyzed a couple of weeks ago by the Public Utility Commission in Pennsylvania, would cost 66,000 jobs in Pennsylvania alone by 2020. I urge my colleagues to consider just how irresponsible it is to move legislation that will cost so many jobs and do so much damage to our economy just as we are struggling to come out of one of the worst recessions in U.S. memory. The American people can see this, they are going to notice, and I think they will be angry.

In addition, if this bill passes, the Federal Government will massively assert its power over every aspect of our life. Section 212, the second title, even goes so far as regulating hot-food-holding cabinets and drinking water dispensers. This bill is nothing more than a massive transfer of wealth and autonomy from consumers to government bureaucrats. It punishes everyone in America who uses energy -- that is, everyone in America.

Instead, we should be crafting policies that create incentives to bring online new nuclear plants, hydrogen storage technology, most cost-effective wind and solar technology, smart-grid technology, and more efficient electricity transmission.

We don't need to wash trillions of dollars of American taxpayer money through the Federal bureaucracy in order to get a

clean energy economy. The alternative to a job-killing, big-government cap-and-tax plan is to create incentives. Let the market pick the winners.

And I yield back.

The Chairman. Thank you, Mr. Pitts.

Mr. Green?

Mr. Green. Thank you, Mr. Chairman.

This week the Energy and Commerce Committee is set to consider the first comprehensive climate program in the history of the U.S. House of Representatives. While I believe it is important to adhere to regular order, this is not the first time a bill has moved to full committee from a subcommittee, whether it be Republican or Democrat. And I want to begin consideration of the bill.

I want to thank Chairman Waxman and Chairman Markey on their efforts to reach a consensus across diverse membership that produces legislation that seeks to reduce greenhouse gas emissions both at home and abroad. This bill is a compromise in its truest sense of the word.

If Congress does nothing, greenhouse gas emissions could be regulated administratively through the EPA without input from Members that represent diverse constituencies nationwide. The U.S. can either choose to ignore any climate change threat and risk continued lack of global leadership or we can choose to act. Today we choose to act.

When the American Clean Energy and Security Act draft, or ACES, was released shortly before April, I had serious concerns with the impact that ACES would have on my constituents, their job base, and also the overall economy. After weeks of negotiation, I am proud to report that many of my initial concerns have been addressed within the substitute bill, which I will summarize briefly.

First, the legislation provides transitional assistance to all U.S. refiners which are critical to our national and energy security, to help promote energy-efficiency measures and reduce their greenhouse gas emissions. Ultimately, I believe more assistance and discussion is needed on the impact to refiners under a climate program, but at least this is a critical first step.

Second, although there were productive conversations with the chairman, we were not able to reach an agreement on a low carbon fuel standard, which was removed from the legislation. Ultimately, EPA will develop that in their process.

Third, H.R. 2454 provides necessary assistance to all U.S. energy-intensive industries, trade-exposed domestic industries, including chemical and petrochemical industries I represent along the Houston Ship Channel, to protect those jobs from foreign competitors.

I want to thank the Chair for working with me to clarify the feedstock definition within the bill to help give adequate

compensation to chemical industries that use fossil fuel as a feedstock.

Fourth, the bill includes our recommendation to clarify covered entities that are not required to submit allowances for certain fuel projects that are exported abroad, which would help U.S. industries be competitive.

Fifth, the bill clarifies that certain industrial sources, such as refiners, would be eligible to receive funding through the carbon sequestration program.

Sixth, the legislation puts forth a combined energy efficiency and renewable electricity standard that I believe more adequately reflects State and regional capacities. The chairman worked with us to make efficiency requirements workable within the ERCOT market, which covers most of the State of Texas, and remove prospective nuclear from the baseline, which will assist not only Texas utilities but many other utilities in our country to meet the mandate.

Seventh, the bill strikes a fair balance in providing allowances to electric and natural gas LDCs, as well as to merchant coal generators, all of which are essential to protecting Texas consumers.

Eighth, a substantial portion of allowances are allocated for consumer assistance programs.

Ninth, the bill includes several of our recommendations to improve oversight of the carbon market, including requiring

quarterly oversight reports to Congress, appointing robust FERC oversight staff, and maintaining sufficient oversight funding. And, again, representing a district that had Enron in it, we know what trading can do to an issue, and we want to make sure that doesn't happen with carbon.

Finally, the final legislation includes more realistic emission reduction targets and most cost-containment mechanisms.

And, again, I want to thank both Chairman Waxman and Mr. Markey for addressing these concerns. And I looking forward to working on minor improvements, to ultimately support a climate policy that protects both our environment and our economy.

And, Mr. Chairman, I yield back my time.

The Chairman. Thank you very much, Mr. Green.

Mrs. Blackburn?

Mrs. Blackburn. Thank you, Mr. Chairman.

You know, I think all of us that are on this committee agree that we are for clean air, clean water, and clean energy. The disagreement comes -- those of us on this side of the aisle do not believe that you have to tax the American people out of their house and home to pay for it.

Now, this bill that is before us makes energy more expensive. It does not make it more abundant. And it does so by mandating investment in what are still unproven, unreliable technologies, while ignoring the most reliable and proven renewable energy resources we have: nuclear and hydroelectric power.

The cap-and-tax approach has already been tried and found wanting in Europe. The European emissions trading scheme is frighteningly similar to the plan that is before us today. And all of us have read -- in every story that we go through, it seems to point out that this is a highly flawed, fraudulent system that does not end up reducing CO2 emissions but actually might increase them. I fear this bill will do the same thing.

At best, it taxes Americans thousands of dollars every year, only to reduce global temperatures, as our ranking member said, less than a degree over the next century. And that assumes that any carbon reductions we may experience are not overcome by the output in places like China and India. So, when you look at it, it appears to be a wealth transfer, plain and simple, for companies and brokers to game the market, and I fear for our American workers to lose their jobs. And I am very concerned about that.

It does pick winners and losers of American energy producers and consumers. Electricity rates, by some calculations, may rise only 9 percent in the chairman's home State, but in Tennessee we could experience as much as a 42 percent -- 42 percent -- increase. That is a formula for economic disaster even during good times.

This first year alone, it takes away \$80 billion of emission allowances and nearly \$1 trillion over the next 10 years. Will this giveaway go towards making America more energy-independent or

secure? I seriously doubt that it will. Instead, it will set a government tax on energy use that will likely lead to shuttering power plants, making Americans poorer and more reliant on foreign energy sources. It will have a negligible effect on environmental improvement but will impose a massive energy tax that will lead to huge job losses and large decreases in our Nation's GDP.

I urge my colleagues to learn from Europe's failures and oppose efforts to duplicate their system. And I yield back the balance of my time.

The Chairman. Thank you very much, Mrs. Blackburn.

Mrs. Capps?

Mrs. Capps. Thank you, Chairman Waxman and Chairman Markey, for all the hard work you have done. It is really through your leadership that we have arrived at this seminal point today.

The Committee on Energy and Commerce has held dozens of hearings on energy and climate policy over the past two Congresses. We have heard from hundreds of witnesses. And, through these hearings, we have built a record that clearly indicates the time for action is now. The American Clean Energy and Security Act is the first step.

Mr. Chairman, America is ready, and the world is watching. Our country needs a new energy policy. We must transition to a clean energy economy, so that we can create jobs here in America, achieve energy independence, and protect our planet for future generations.

We have a choice. We can sit by the sidelines and let other countries lead the way to a clean energy future, or we can reinstate America as a global leader in technology development. I think the answer is clear. Through this legislation, we can boost the economy in the short term by creating jobs, and we can help consumers in the long term by reducing energy costs as we invest in innovation.

A new clean energy economy means new industries. New industries mean new jobs. These jobs will be here at home. With this bill, we will retool manufacturing plants. We will build wind turbines and solar panels. We will construct a smart electricity grid. We will weatherize and retrofit homes and schools and businesses to improve energy efficiency. These are not jobs that can be shipped overseas. These are investments in clean energy that will create jobs in our communities and for our families.

But to ensure the success of this legislation and our transition to a 21st-century clean energy economy, we must have a strong renewable electricity standard, we must invest in energy efficiency, and we must significantly reduce greenhouse gas emissions in the short term.

Sadly, because of years of complacency and a past administration that chose to sit on the sidelines and do nothing, the climate will change and we will need to adapt. The investments this bill makes in domestic, international, natural

resource, and public health adaptation are crucial to the coming prosperity of our Nation and the world.

I want to thank the chairman for including my legislation, Climate Change Health Protection and Promotion Act, in the bill. Through enhanced disease surveillance, research communication, education and training programs, this provision will help public health professionals to prepare for and respond to the health effects of climate change.

Mr. Chairman, this week we are going to change the way we do business in this country. We can no longer afford to give polluters a free pass. We can no longer afford the status quo. We must seize this opportunity to pass comprehensive energy and climate change legislation that will transition our country to a new clean energy economy, protect our majestic planet Earth for our children and for our grandchildren, and I know we can.

I yield back.

The Chairman. Thank you very much, Mrs. Capps.

Mr. Gingrey?

Mr. Gingrey. Thank you, Mr. Chairman.

As one of the newest members of the committee, I have tried to hold an optimistic view of the important business we are undertaking and progress that we could achieve in a bipartisan way on behalf of the American people. However, for their sake and the sake of Georgia's 11th Congressional District, I also feel a strong sense of duty and obligation to take this opportunity to

speaking out on what I believe may be one of the greatest mistakes this Congress will ever make.

Our Nation stands at a crossroads, Mr. Chairman. While the road behind us is paved with mistakes -- mistakes made by both Republicans and Democrats -- this current Congress is not immune from choosing a significant worse path or, preferably, a better one.

By now, I think we all realize that America does not exist in a protective bubble. International trade and expensive travel and fiberoptic technology have made the Atlantic and Pacific Oceans infinitely smaller. In the 21st century, American success and economic vitality depend on our Nation's ability to compete and win in the international marketplace. Over 95 percent of the world's consumers live outside the United States, with over one-third of the world's population indeed living in China and India.

Yet, today, this committee seems poised to pass legislation that, despite the best of intentions, will saddle American people and American businesses with more regulations and more costs, essentially imposing a tax increase on every person living in this country.

Mr. Chairman, this legislation manufactures a cost of business that otherwise does not exist. Regardless of any of these formulas or allocations to shift these additional costs around, someone in this country is going to pay. And, ultimately,

it will be all of us, because this plan will hurt the entire economy.

There is little doubt in my mind that this legislation will shut down businesses and eliminate blue- and white-collar jobs. While I know the majority has prided its plan on the creation of green jobs, Mr. Chairman, I have listened to some of our counterparts in Europe discuss their experience with these green jobs. It seems to me that green jobs, just like leaves on a tree, they may shine in the summertime when everything is sunny, but when the fall comes these leaves will fade, and by winter they will be long gone. Indeed, these green jobs might be best identified as "subprime" in comparison to solid, traditional manufacturing jobs we have recently lost to other countries.

And using the term "subprime," I am reminded of the economic and housing crisis which we are still grappling with, in large part the result, I believe, of excessive government involvement and manipulation of the free-market lending system. If the Federal Government cannot effectively micromanage the lending system, how does it intend to effectively manage a convoluted, complex cap-and-trade scheme?

So I would just caution every member to reflect on what we are doing here and ask yourself this question: Do I want to be responsible for tying this country's hands behind its back at a time not just when terrorists are trying to destroy us but when rising economic powers are seeking to displace American economic

and political influence around the world?

Mr. Chairman, I know the President has turned hope into a policy platform. While hope has a power to inspire, it makes for a lousy parachute when you are about to jump off an economic cliff.

And I yield back.

The Chairman. Thank you, Mr. Gingrey.

Ms. Baldwin?

Ms. Baldwin. Thank you, Mr. Chairman. And thank you for your leadership in bringing us to this moment. Your efforts and dedication, along with that of Mr. Markey and our very qualified committee staff, is extraordinary.

We are really at an exceptional moment in history, and we have an opportunity before us to address climate change in a real and meaningful way. The bill we have before us sets us on a path to a clean energy era, one that invests in renewable energy, creates jobs, contains costs, revitalizes America, and allows us to be responsible stewards of our environment.

As we have learned through the exhaustive work of the IPCC and through reading the Stern report, our greenhouse gas emissions have put our global environment, social structure, and national security at peril. And if we fail to act, the impact will reverberate during the later decades of this new century. The volatility of our climate, including floods and droughts, severe weather and temperature extremes, will result in the loss of human

life, increase susceptibility to disease, the extinction of species of animals and plants, destruction of ecosystems, and increased social conflict.

Among the political challenges we face is that our greatest obligation in tackling the threat of global climate change isn't to each other and our current constituents; our greatest obligation is to generations of Americans and people all around the world who haven't even been born yet, the ones who will inhabit this planet long after we are gone. What if they could speak to us about the future that we left them? What would our great-great-grandchildren say to us about what we did once we knew that our climate was changing and that we were, at least in part, to blame?

This week will lead us to an answer to that question. What did we do once we knew? I hope that that answer will be that we realized the consequences of our inaction, and we came together and acted on behalf of both those who are here today and those who will inherit this Earth in generations to come.

This bill brings exactly what we need in terms of leadership and commitment, as we look towards Copenhagen and beyond. It recognizes that our national security, our planet's sustainability, and our children's future hang in that balance. And we recognize that the world is watching our every step.

I want to thank the chairman for including my bill, the Greenhouse Gas Registry Act, as a part of this larger bill, as

well as recognizing the transportation issues involved in CCS technology. I look forward to working with all of the members of this committee to assure that this bill becomes law and these policies are implemented.

Thank you, and I yield back the balance of my time.

The Chairman. Thank you very much, Ms. Baldwin.

Mr. Scalise?

Mr. Scalise. Thank you, Mr. Chairman.

It is a disservice to the American people that this committee has not held a public hearing to discuss the specific components of this cap-and-trade energy tax that will be the most dramatic overhaul of America's energy economy in our lifetime, a bill that will ship millions of American jobs overseas and cost each and every American family more than \$1,300, on average, in increased utility costs.

To make this point very clear, the details of this 932-page bill were just unveiled to the members of this committee over the weekend, and very few members of the committee have had a chance to read the bill in its entirety, much less review the complex nature of each section of the bill. The American people expect and deserve more, especially at a time when we were promised transparency and instead are now being presented with a bill that is the product of secretive backroom deals and special interest trading.

No one denies that, if this bill passes, millions of American

jobs will be shipped to countries like China, India, and Brazil, while American families will pay thousands more in increased utility costs. Let me say this again: No one denies that, if this bill passes, millions of American jobs will be shipped to foreign countries, while American families will pay thousands more in increased utility costs.

According to President Obama's own budget director, the average household cost increase would be about \$1,300 annually. Even President Obama has acknowledged that his cap-and-trade energy tax will lead to higher electricity rates when he said, "Under my plan of a cap-and-trade system, electricity rates would necessarily skyrocket." And just a couple of weeks ago, the current CBO director testified before the Senate that a cap-and-trade program would lead to higher prices for energy and energy-intensive goods.

And, to add insult to great injury, the foreign countries that will take our jobs are countries that have no intention of capping their carbon emissions.

This bill creates big winners and big losers. The big losers are American families and small businesses. And make no mistake about this: The big winners are countries like China and India who are champing at the bit to take our jobs. Other big winners are the same Wall Street speculators who brought our country's financial markets to near collapse and who stand to gain billions in new profits by creating a trading scheme for these carbon

credits.

Instead of shipping millions of jobs overseas and killing our energy economy, Congress should support an all-of-the-above national energy policy that will create American jobs, reduce our dependence on Middle Eastern oil, and promote alternative sources of energy like wind, solar, and nuclear.

Along with many of my colleagues, I am proud to be a co-sponsor of H.R. 2300, the American Energy Innovation Act. This legislation takes this all-of-the-above approach, and the net effect of our comprehensive energy plan will result in lower carbon emissions because American jobs in manufacturing will not be shipped to foreign countries like China that have lower environmental standards than our own here in America.

Perhaps a cap-and-trade energy tax would place the United States economy at a distinct competitive disadvantage because it would place additional costs on American manufacturers and cede market shares to overseas competitors that are not subject to limits on greenhouse gas emissions. What this bill will do is redistribute wealth from American families and businesses to special interests -- special interests handpicked by Washington politicians.

There is a better way to do this. Let's create jobs, using this American Energy Innovation Act, not send jobs to China. This commonsense solution will be presented as an alternative to the cap-and-trade energy tax. Rather than ship American jobs

overseas, let's create good American jobs here in America. Rather than strengthen OPEC's hold on world oil supply, let's open up innovation here in America and reduce our dependence on Middle Eastern oil. And rather than raising every American family's utility rates, let's advance the alternative sources of energy like wind, solar, and nuclear power that will help families lower our utility bills.

I yield back.

The Chairman. Thank you, Mr. Scalise.

Mr. Butterfield?

Mr. Butterfield. Thank you, Mr. Chairman.

Chairman Waxman, Chairman Markey, thank you very much for your strong hand of leadership on this very important legislation. I especially want to thank your hardworking staff for their extraordinary work. They have been dedicated and committed. They have answered every question that we have posed. And I am grateful to each one of them.

Never for one moment, Mr. Chairman, have I believed that we should wait on passing this legislation. I had reservations at the outset regarding the reasonableness of the RES, and you have addressed each one of my concerns.

You accepted a compromise that would permit States to reach the mandate by deriving 15 percent of its electricity from renewable sources with a 5 percent energy-efficiency component. This new standard not only gives States like North Carolina a

reasonable chance to comply, but it also will lead to the creation of green jobs. I appreciate your willingness to work with us on this part of the bill.

Throughout our consideration of this legislation, my greatest concern and fear has been the potential impact that this shift in energy policy will have on low- and moderate-income consumers. These Americans already pay a larger share of their income on energy costs, and they cannot absorb any increases.

Mr. Chairman, you have crafted this legislation very skillfully, in a way that will completely offset the economic impact on the lowest economic quintile and a portion of the next-to-the-lowest quintile. I support your decision to allocate 15 percent of the allowance value toward offsetting costs for low-income families. In 2012, that could result in as much as \$10 billion being available for consumer protection in the form of energy rebates or increased tax credits through 2025. And so the compromise RES, coupled with the free allowances, will provide a real safety net for consumers.

Before closing, Mr. Chairman, let me go on the record expressing my great disappointment that our Republican friends have refused to work with us in crafting this legislation. They have questioned the science. They have fostered the idea that this legislation is too expensive. They have promoted a false message that this legislation will result in the loss of American jobs and will wreck the economy. And, this morning, the ranking

member even said that the environmental benefit is nonexistent. They are wrong.

And now we are getting reports that the Republican minority is going to engage in obstructionism this week, as we take on this issue. The American people want bipartisanship on their issues, not obstruction.

I am even told that my friends may offer in excess of 400 amendments this week. That is absolutely incredible. I am sure that some of your amendments will have merit, but this is not the way to legislate on this important issue.

Mr. Walden. Will the gentlemen yield?

Mr. Butterfield. I am running out of time. I am sorry.

The American people want you to be positive, and you have not been positive in this process.

I will vote "aye" on the manager's amendment.

I yield the balance of my time to the gentleman.

Mr. Walden. Well, I thought the legislative process --

The Chairman. The gentleman's time has expired.

Mr. Walden. -- allowed for amendments.

The Chairman. The gentleman's time has expired. I want to recognize Mr. Burgess.

Mr. Burgess. I thank the chairman for the recognition.

This can hardly be called a bipartisan process. The reason that there are 400 amendments being contemplated is because the underlying legislation is, in and of itself, so flawed and because

not a single Republican member was allowed to be in the room as the bill was drafted.

Now, Mr. Chairman, last summer we had an instructive period where gasoline prices went over \$4 a gallon for regular gas, \$5 a gas for diesel. And we saw consumption drop, so, I guess by anyone's measure, we saw carbon production diminish. And then with the failure of Lehman Brothers in September, we saw the effects of a weakened economy, and we saw consumption drop, and I guess we saw carbon production reduced.

It seems as if this bill is trying to capture the best of those two bad situations, coupling high prices with ensuring a weak economy, to ensure that that is the path that we follow for reduced carbon emissions.

I would submit to you that there is a better way. We heard from Vice President Al Gore, we heard from Senator John Warner, that we needed to be concerned about security, we needed to be concerned about our economy. And they, of course, were both concerned about the effects of climate change.

Well, if we focus on security, if we focus on the economy and we focus on those things on which we can agree -- that is, increases in energy efficiency that have increased over the past several years, that can lead us to significant benefits -- then I think we would have the basis for constructing a bill where you would have broad bipartisan support.

Mr. Chairman, I will remind you, it was in this committee

that I asked the Secretary of the Department of Energy, Dr. Chu, if he could share with me, where is the smoking gun, what is the sine qua non that implicates man as the driver in global climate change. He said that the science was settled and that he would be glad to meet with me. Mr. Chairman, I am still waiting for that meeting. My telephone number is 225-7772, and the chairman may call me and we will schedule that meeting. I have made several attempts to have the meeting scheduled with the chairman of the Department of Energy, to no avail.

The American people do want us to work on this, but they are scared to death of what we are going to produce in this committee. This bill will have the effect of raising energy prices and a more profound disruptive effect on the economy than anything that is likely to occur in the rest of my natural lifetime. We need to be careful with this legislation. We are shooting with real bullets on this policy.

And I will yield back the balance of my time.

The Chairman. Thank you very much, Mr. Burgess.

Mr. Hill?

Mr. Hill. Thank you, Mr. Chairman. Thank you for holding this markup on a very important bill that will shape our future energy policy.

First, I would like to note that I fully support the goals of this bill. Climate change is real, and it must be addressed now. However, that does not mean that we should do something simply for

the sake of doing something. We must create a deliberative policy that not only addresses the environmental concerns, but also protects American jobs and all rate payors. We also need strong buy-in from the stakeholders involved. And I am happy to note that companies from all different sectors are supporting this modified legislation.

My home State of Indiana has a strong potential to help our country move into a clean energy future. In Indiana, two facilities are being built that will provide researchers with the tools they need to create large-scale clean coal facilities in the future. Our factories and workers are some of the best in the country, and we had the experience and the expertise to credit a large-scale manufacturing industry.

While we have made great strides with this legislation during the past month, this is only the beginning of the process. As this legislation makes it through other committees and through the full House, we need to continue to work to address concerns and bring in more stakeholders.

I want to thank you, Mr. Chairman, and your staff for working with my office to address several specific concerns that I had.

First, the energy-efficient manufactured housing provisions will help many working families purchase new Energy Star-manufactured housing, benefiting both industry and families with their utility bills.

I also want to thank you and Chairman Markey for working with

me on several municipal solid waste provisions, including allowing States like Indiana to count it as a renewable source of energy. Indiana currently produces only four-tenths of 1 percent of its electricity from renewable sources, 96 percent from coal-powered utilities, and the rest from natural gas. This clean technology that turns ordinary garbage into electricity is actually considered a renewable net greenhouse gas-reducing technology by the Environmental Protection Agency. As an excellent source of green energy, investments in waste-to-energy will also create thousands of jobs and billions of dollars in new facilities, especially in areas where wind and solar are not a viable option.

Since the introduction of this bill, we have worked in a constructive manner to create a smooth transition to a clean energy future. Industry has stepped up and positively engaged on this issue and deserves long-term policy certainty to make their investments. As President Obama has said, we don't want to look back 20 years from now and wonder why we did not act.

I look forward to working with everyone on this committee, in the upcoming days, to produce a bill that protects rate payors and sets long-term, achievable goals for industry to meet.

Thank you, Mr. Chairman. I yield back the balance of my time.

The Chairman. Thank you very much, Mr. Hill.

Mr. Shimkus?

Mr. Shimkus. Thank you, Mr. Chairman.

It took me 4 weeks to read the draft legislative bill -- 648 pages. And if you are confident that this bill will last the test of time, we ought to allow this whole next week to read the bill, especially since the manager's amendment, which is about 946 pages, just came out an hour ago.

When we breathe in, we breath oxygen; when we breathe out, we breathe out carbon dioxide. Carbon dioxide is not a toxic emittent.

The day I have dreaded has arrived. Why is it that the wealthy parts of our country continue to attack the lifestyles of the rural poor, as the Evansville Courier noted? The legislation does just that. If you are going to put a price on carbon emissions now, later, or sometime in the future, those that rely on this fuel will be harmed. My Democrat colleagues should not boast about how they made the bill better. Had they stood up, there would be no bill.

I guess the other item that concerns me is the man-made crisis to empower bigger government. This bill takes from all to have government redistribute to who it sees fit. Why have Republicans fought this bill? Because we believe in less government; this creates more. We believe in individual responsibility, not government dictates. We believe in lower taxes, not higher carbon taxes. And we believe in more freedom, not less by an explosion of government intervention.

Republicans have identified our real problem: Our challenge

is too little energy, not too much. We want to expand the supply of the all-of-the-above approach and let the private sector compete to sell you energy at the lowest cost. Nuclear, coal, hydro, solar, wind, crude oil, renewables, coal to liquid, low-cost energy keep us competitive in the manufacturing sector.

The cap-and-trade scheme has been tried twice in Europe and has failed both times. The Prime Minister of Australia has just delayed his touted cap-and-tax program. Why would we create a trading floor ripe for big financial investors' manipulation and failure? Why would we create another financial sector that we will have to bail out?

I find it unbelievable, as gas prices are going up, job losses continue to mount, and the economy remains slow, that we would make it even more difficult for the economy to recover. Don't forget the 14,000 united mineworkers who lost their jobs in 1992 in Illinois and the 35,000 miners who lost their jobs in Ohio the last time we did this. Let's don't go down that route again.

I am sorry that we are moving this bill, Mr. Chairman. And I yield back the balance of my time.

The Chairman. I thank the gentleman for his comments.

Ms. Matsui?

Ms. Matsui. Thank you, Mr. Chairman. I want to thank you and Chairman Markey. I want to applaud all the work you have both done to get us here today.

In the past 2 1/2 years, this committee has held countless

hearings on energy and climate change policy. This year alone, we have convened over a dozen hearings and heard from numerous experts as well as national and international leaders. The American Clean Energy and Security Act would not be possible without your leadership and thoughtful determination.

It is said that our committee is representative of the entire country, and what a diverse country we have. Yet this bill transcends us in this room and is not only an achievement for the American people but also for our children and our grandchildren. By spurring a new era of clean energy jobs, this bill puts our economy on a new trajectory. And because of this investment, our children and grandchildren will live in a country that is more sustainable, more economically viable, and more efficient than the country we live in today.

From my hometown of Sacramento, Title 1 and Title 4 build upon the steps we have already taken to make the Sacramento region a hub of clean technology development. But the American Clean Energy and Security Act would do so much more than that, for it also provides resources to ensure the security of a region as it responds to climate change.

As many of you know, millions of people in my State depend upon levees to protect them. My district sits at the base of the Sierra Nevada Mountains and the confluence of two great rivers, the American and the Sacramento. The threat of flooding in Sacramento is ever present and is made worse by our warming

planet.

I want to thank Chairman Waxman and Chairman Markey for working with me to ensure that this bill addresses California's water needs in the context of climate change. Allowances are distributed to States for urgent projects to help fight extreme weather and flooding. These resources will be vital as we work to adapt to changing climates and more intense weather patterns.

I am also encouraged that this bill addresses the transportation sector as well as the energy sector. Transportation accounts for 30 percent of the greenhouse gases emitted into the atmosphere each year. Therefore, effective climate change legislation must include a transportation component if we are going to achieve the emission reduction levels that scientists say are vital to saving our planet.

Mr. Chairman, I appreciate working with you on Section 222, which seeks to reduce greenhouse gas emissions through comprehensive transportation efficiency and land use planning. The way we plan our communities and transportation systems has a real effect on how well we reduce emissions in transportation. This is a vital component of a vital bill.

I am pleased to support it here today. And I once again commend Chairman Waxman and Chairman Markey for bringing the bill to this historic point.

And I yield back the balance of my time.

The Chairman. Thank you very much, Ms. Matsui.

Ms. Castor?

Ms. Castor. Thank you, Mr. Chairman.

The American people's election of Barack Obama as President was a call for changing the direction of our country, especially energy policy. America's energy policy is outdated. We rely too much on foreign oil, which has serious economic and strategic risks. We have not invested in renewable energy or in cost-saving technologies as we should. Meanwhile, carbon pollution is changing our climate with destabilizing impacts.

But thanks to the leadership of Chairman Waxman and Chairman Markey, many of my colleagues, and businesses and citizens across America, we now have a golden opportunity to act to modernize our energy policy and bolster science and research. I would like to thank the Chairs for incorporating a number of my suggestions into the bill. And I am confident we are going to pass the American Clean Energy and Security Act, and none too soon.

It comes at a critical time for our Nation and right on the heels of the landmark Economic Recovery Act. Together, the Clean Energy Act and the recovery plan provide a new foundation for economic recovery: new jobs and clean energy, manufacturing. We are going to drive the development of new clean energy jobs that pay well and cannot be outsourced.

People are fed up with the wild swings in gas prices and tired of watching America's economy rise and fall along with the price of a barrel of oil. So we are going to commit ourselves to

an economic future in which the strength of our economy is not tied to the unpredictability of oil markets. Instead, we are going to invest in clean energy sources that will curb our dependence on fossil fuels and make America energy independent. This includes the next generation of cars and trucks, and we are going to find savings on our electric bills through better energy efficiency.

The American Clean Energy Act has special significance for my home State of Florida because, alone in the Continental United States, my State is surrounded on three sides by water. The Intergovernmental Panel on Climate Change warns that if we do not take action to address carbon pollution it is possible that much of my State will no longer be habitable in future years. Scientists tell us that if carbon pollution is not addressed, the seas could rise and the coast would move inland.

Florida has already seen increasing droughts and saltwater intrusion of our aquifers. What happens if we do not act? Property insurance rates are already out of sight. And Lloyds of London released a report just today that analyzes a threat to U.S. coastlines from a combination of increasingly violent weather events triggered by climate change. What if scientists are right that hurricanes' intensities increase with global temperatures.

Doing nothing is not an option. The cost of doing nothing is simply too high. So for those who say now is not the time to build a new clean energy economy or that environmental changes can

be ignored, I say we have wasted enough time, and let's get going.

Thank you, Mr. Chairman.

The Chairman. Thank you very much, Ms. Castor.

Mr. Sarbanes?

Mr. Sarbanes. Thank you, Mr. Chairman.

The American Clean Energy and Security Act of 2009 captures its essence, really, in the title in very simple terms. The legislation promotes clean energy. Global warming is real; we know this now. Every day its impact is becoming more severe. Clean energy is just that: It is clean. It does not pollute in the ways that we have been doing for so long, and it helps reverse global warming as a result.

The title of the bill also speaks to security. How does this bill make us more secure? In two profound ways: First, by diversifying our energy portfolio, we will be less dependent on fossil fuels and on foreign influence.

Second, real security comes from one thing: It comes from jobs. And that is the story behind this bill. Just as growth in information technology served as the driving force behind the economic boom of the 1990s, the development of clean energy technology and green jobs will spur incredible growth. I absolutely am convinced that, years from now, we are going to look back on this bill and view it as one of the biggest jobs bills in American history.

But let me close with why I am really excited about the

opportunity we have before us here today. There is a whole new generation of young people that is waiting to see if we are going to do the right thing. They want to see this happen. And they know that if we push this framework forward -- and that is the role of government, to come along every so often when the people are expressing their will and to move that framework forward from a policy standpoint -- if we can move that framework forward, this next generation is going to jump into the space that we have created for them. They are going to jump into that space as entrepreneurs, and they are going to jump into that space as ordinary citizens.

I see it in Maryland with the Chesapeake Bay. That generation is waiting to do the right thing for the Chesapeake Bay, but they need our help. They want to see a partner. And that is what this legislation offers us. The people that reside in the Chesapeake Bay watershed, that next generation, and citizens all across this country are ready; America is ready for this. And we are going to demonstrate this week that, as a committee, we are ready to deliver for them.

I yield back my time.

The Chairman. Thank you very much, Mr. Sarbanes.

Mr. Blunt?

Mr. Blunt. Thank you, Mr. Chairman.

And, Mr. Chairman, I am pleased we are having this markup, but, as a member of the subcommittee, I wish we were having it in

the subcommittee. I am concerned about this legislation, and I hope each committee member has a chance to weigh the economic impact of the bill that I believe will severely limit energy production.

A cap-and-trade program will increase the cost of energy and hurt businesses and consumers throughout Missouri and throughout the United States. I doubt, Mr. Chairman, there has ever been a time to burden American consumers with extra cost, but I believe that a recession is probably the worst time to implement an energy program that will pass the cost directly to the consumers every time we flip a switch, turn on a thermostat, fill up our gas tank, or purchase an American-made product.

This type of energy policy will be even more damaging to States like Missouri where almost 90 percent of electricity is coal-generated and where consumers will pay even more than the average American under the proposed legislation. A study conducted on behalf of the Missouri Joint Municipal Electric Utility Commission estimates the electricity rates in Missouri could increase by as much as 40 percent by 2015 because of legislation similar to this. The electricity rates in Missouri are currently among the lowest in the country.

Because the impact of this bill on electricity rates would make our country less competitive as a whole and Missouri less competitive in the country itself, the damage this bill he could do to our economy doesn't stop with this hidden tax bite.

American manufacturers could be forced out of business, in part because of the unfair cost advantage this bill will give foreign companies.

The National Association of Manufacturers recently estimated that with similar climate change legislation, Missouri alone would be threatened with at least between the loss of 23,000 and 76,000 jobs. Some companies have already said that, if this legislation becomes law, they will be forced to relocate outside of the United States.

I support the ultimate goal of protecting our environment, but we must look at the real ramifications this bill will have on an already struggling economy. Our Nation does, in fact, need a new energy policy. But we need one similar to the all-of-the-above strategy I worked for last year and continue to support: more conservation, more domestic production, more reliance on alternative fuels, and greater investment in research in our energy future.

We also need to focus on developing new technologies and exporting these technologies, as well as promoting conservation, encouraging investment in next-generation technologies, and providing tax incentives for businesses and homeowners who improve their energy efficiency.

The legislation we are debating today creates a national energy tax that punishes families and small businesses for using electricity. It does nothing to answer the important question of

how to fuel our country and our economy for the next generation. Telling Americans that the choices are this or to do nothing is a false choice and in no way creates a sustainable, commonsense energy policy.

I am hopeful this committee can continue to work to find ways to work together to avoid imposing an increased burden on consumers and on the cost of doing business in these tough economic times. To that end, I look forward to continue to work with you, Mr. Chairman, with Mr. Barton, and our colleagues to achieve good policy in a bipartisan way.

And I yield back.

The Chairman. Thank you, Mr. Blunt.

Mr. Murphy?

Mr. Murphy of Connecticut. Thank you very much, Mr. Chairman and to Chairman Markey, for bringing this legislation before us today.

You know, hopefully sometime in the distant future, if I get to live long enough, there is going to be a time where I can sit around with my kids and maybe even my grandkids and tell them what I did when I was here in Congress to make the world better. And I have a feeling that if we do our job right over the course of this next week and the coming months, that I am going to be able to tell the story about being here this week for this markup.

And, frankly, the spirited resistance from our Republican friends will be a big part of the story. Because if you look back

on the history of this place, almost every transformational act passed by this Congress, whether it is Medicare, civil rights legislation, or major environmental legislation, has encountered stiff, unbending resistance from those who jealously have defended the status quo.

And I appreciate that opposition because, 40 years from now, when I tell that story to my grandkids about being here when we passed legislation that cleaned up our air, that unleashed the power of renewable energy and all of the jobs that come with it, and that broke our country free once and for all from the chains of foreign oil, the story of how it happened will be a testament to the fact that doing the right thing is rarely the easy thing.

And, over the course of this markup, I hope to tell a little bit of the Connecticut story. As you know, Mr. Chairman, we are one of 10 States that have already participated in the Nation's first cap-and-trade regime. And my message is pretty simple: It can be done, and it can be done right.

We have allocated the vast majority of our allowances in New England and in the RGGI program to renewable energy. And the reason is because we know that there is no cheaper, no more quick, and no more cost-effective way to save consumers money and to reduce emissions. Energy efficiency investments pay for themselves, typically saving \$3 for every \$1 spent. And it has been part of why we have been able to keep prices stable under our own cap-and-trade regime.

And it is also why I am proud to have helped craft a provision in this bill, to make sure that the energy efficiency improvements that we make will be spread evenly between those that use home heating oil and propane as well as those that use gas and electric. This is simply a fair means of allocating our energy efficiency allotments, and I am happy to have worked with the chairman on this.

We have a lot of work to do this week and in the coming months, but our experience in Connecticut, I think, can point the way towards successful energy reform. And, in doing so, I think we will all be able to look back on this time, maybe even this very week, as a groundbreaking and transformational moment for our country.

I yield back the balance of my time.

The Chairman. Thank you, Mr. Murphy.

Mr. Barrow?

Mr. Barrow. I thank the Chair.

I want to commend Chairmen Waxman and Markey for their efforts to craft a bill that tries to balance the interests between the many regions and interests represented on this committee. This bill aims to make clean energy that is cheap and abundant. But the bill before us hopes to achieve that by making the dirty sources of energy we use now more expensive.

I appreciate the effort that has been put in to making this strategy more acceptable across the board. But making dirty

energy more expensive doesn't make any clean energy. Making dirty energy more expensive will only make it relatively cheaper to produce clean energy; it won't make it absolutely cheaper. Meanwhile, folks back home will end up paying more than they have to for dirty energy, and they won't necessarily have any more clean energy to show for it. And if they do have any new clean energy to show for it, it will take a whole lot longer and a whole lot more time and cost a whole lot more to get it.

I think that there is a more effective and fair way to get what we want. We need to make direct public investments in research and development of cheap and clean energy. Investing on the scale of the Apollo Program or the Manhattan Project is the best way to create clean energy that is both cheap and abundant, and that is what we need to do.

I suspect that today is just the first step in a lengthy legislative debate. I am optimistic that we can ultimately find effective and fair solutions to the problems that face us. And I look forward to continuing to work with my colleagues as the process moves forward.

With that, Mr. Chairman, I yield back the balance of my time.

The Chairman. Thank you, Mr. Barrow.

Ms. Sutton?

Ms. Sutton. Thank you, Mr. Chairman.

The production of safe, reliable, affordable, and environmentally sustainable energy is one of the most important

challenges facing our country. Just about everything requires energy: our homes, our offices, factories, automobiles, and farm equipment. And scientific evidence confirms that unrestrained growth in greenhouse gas emissions pose a danger to public health and the environment. And in response, this committee has embarked upon the challenging mission of drafting comprehensive legislation that will create jobs, help end our dependence on foreign oil, and combat global warming.

Now, this is not an easy task. And I want to commend you, Chairman Waxman and Chairman Markey, on your leadership and willingness to address the concerns of members. Escalating energy prices, supply uncertainties, and environmental concerns have forced us to re-evaluate our energy mix.

And no single energy source offers the perfect solution. In order to implement a successful national energy policy, we must develop a diverse and balanced portfolio. I support a national renewable electricity standard to shift toward wind, solar, biomass, and other forms of energy to meet our electricity needs.

Any standard must be realistic, flexible, and recognize the regional differences in our country. Renewable energy offers a popular, economically viable, and cleaner alternative, but it is intermittent in nature. Renewable energy alone cannot provide the energy required to meet our country's needs.

Coal is this Nation's most abundant, low-cost energy source, and it is not imported. Coal fuels about 86 percent of Ohio's

electricity and more than half of our country. And this bill recognizes that coal will continue to be a major domestic energy source, and the United States must take a leadership role in the development of clean coal technology. This bill provides the funding mechanism and incentives needed to accelerate the development and deployment of clean coal technology.

Investments in alternative sources of energy, clean technology, and energy efficiency will create new industries and jobs, revitalize America's manufacturing sector, jump-start economic growth, and revive the promise of the middle class. But we must also remember that greenhouse gas emissions and climate change are global problems. The atmosphere recognizes no borders, and, as such, there are trade policy implications when other countries have differing environmental standards.

Now, I am pleased to see the changes that strengthen the provisions for America's energy-intensive, trade-sensitive industries and workers, and they will go a long way toward preserving U.S. jobs and manufacturing production while greatly reducing emissions.

However, I still have grave concerns about the timing and role of Congress with respect to the international reserve allowance program. It is critical that we adopt the necessary measures to ensure that other nations participate in solutions to combat global warming. I understand this matter falls outside the jurisdiction of this committee, and I look forward to working with

my colleagues to strengthen these provisions as we move forward.

Bold steps are needed to restore our economy, and bold steps are needed to solve the climate crisis. And leading the way to combat global warming presents an opportunity for U.S. businesses. But as we transition to a cleaner energy economy, millions of good-paying jobs will be created, and these are jobs that should not be outsourced.

I yield back my time.

The Chairman. Thank you very much, Ms. Sutton.

Mr. Braley?

Mr. Braley. Thank you, Mr. Chairman. I would ask unanimous consent to have my entire remarks added to the record.

The Chairman. Without objection, that will be the order.

Mr. Braley. Mr. Chairman, I, for one, am not in a state of gloom and doom over this bill. I am excited to be here at the dawning of a new energy revolution in this country. And this document in my hand is the blueprint to get us where we need to go.

It has been stated by some of our friends on the other side of the aisle that this bill is an example of environmental alarmism. And I would just remind them that this bill is modeled upon the blueprint for legislative action that was submitted by the United States Climate Action Partnership, and I am sure some of the members of this partnership would be surprised to find out that they are being accused of environmental alarmism, companies

like Alcoa, BP Amoco, Caterpillar, John Deere, Duke Energy, DuPont, Ford, GM, right down the list.

This is a bill that has been generated after a lot of thought and a lot of deliberation, taken into account geographic areas of the country, industries that are going to be impacted, and that is why it represents such a good starting point for our discussion.

One of our other colleagues' concerns -- and this is another issue we hear frequently -- is the fact that regional differences need to be taken into account, and they are in this legislation. But I would also like to remind my colleague from Florida that his own State is a perfect example of the enormous economic potential that this bill offers. And I would invite him to come to the State of Iowa and visit two of the Florida Power & Light wind farms that are generating energy right now and helping reduce the energy cost of consumers in Florida. And that company, FPL, holds itself out as the number-one wind energy company in the United States. And yet, it has wind farms in Texas, New Mexico, Oklahoma, Kansas, Colorado, Wyoming, South Dakota, North Dakota, Minnesota, Wisconsin, and Iowa. And that is why the potential of clean, renewable energy exists in every part of this country.

Now, we don't have beach resorts in my State of Iowa, and we are happy to send our snowbirds down to Florida and California and Arizona, and they spend their dollars down there and create jobs. We are happy to return the favor by providing economic opportunities for utility companies, like the CEOs that I met with

last Thursday from all the major utilities in this country, who think that it is time we get moving on this important legislation.

And that is why it is time for us to invest in a clean economy. It is time to draw the line in the sand. Because either you are for sustainability and stewardship and you are going to support this bill or you are for continued dependency and destruction of our environment. It is that simple.

RPTS JURA

DCMN BURRELL

[3:08 p.m.]

Mr. Braley. That is why we need to come together, find a way to resolve our differences, make this a bill that we can all be proud of, and it will be something that I am looking forward to working on and making it happen.

I yield back the balance of my time.

[The information follows:]

***** COMMITTEE INSERT *****

The Chairman. Thank you very much, Mr. Braley.

The Chair would like to ask unanimous consent that the written statement of Representative Boucher be included in the record.

[The prepared statement of Mr. Boucher follows:]

***** COMMITTEE INSERT *****

Mr. Barton. Reserving the right to object, and, Mr. Chairman, I will not object. But I would ask that you amend that unanimous consent request so that all members who have not yet given an opening statement be given an opportunity to submit their statement for the record.

The Chairman. The Chair would certainly want to accept that addition. Without objection, all members will be given an opportunity to insert an opening statement in the record. Hearing no objection, that will be the order.

[The information follows:]

***** COMMITTEE INSERT *****

The Chairman. Before calling up the bill, I want to recognize Mr. Barton for some questions and colloquy.

Mr. Barton. Thank you, Mr. Chairman. I want to have a colloquy with you because this is a somewhat unique markup this week, so I would like to get a sense and so that all members will have a sense of what your procedure is it going to be.

After we have completed opening statements today, is it your intention to actually convene the markup today, or to postpone the actual markup until tomorrow?

The Chairman. It is the Chair's intention to call up the bill and ask unanimous consent that it be considered as read; and then, to offer an amendment in the nature of a substitute and ask that that be considered as read, at which point we would adjourn and reconvene tomorrow at 10:00 a.m.

Mr. Barton. All right. When we reconvene tomorrow at 10:00 a.m., your manager's amendment in the nature of a substitute will be the pending business before the committee. Will it be open for amendment at any point, or will it be open for amendment title by title?

The Chairman. It will be open for amendment at any point. But we would ask members to be prepared, so that we can have an orderly procedure, to be ready to offer amendments title by title.

Mr. Barton. So to make sure I understand, while technically it is open to amendment at any point, it is your intention to

start with title I and work chronologically through the title. I don't know what the last title in the bill is. But, from title I to title X, so to speak?

The Chairman. That is correct.

Mr. Barton. Okay. The tradition in the committee and the House is to alternate recognition between minority and majority members for purposes of offering amendments. Do you intend to follow this alternating recognition pattern when we actually begin the amendment process?

The Chairman. I will follow that tradition, and alternate between the Democratic and Republican side for recognition for amendments, with a couple of provisos.

One, I would like to recognize members who have amendments to the title under consideration. And, secondly, in order for members to have the full opportunity to debate the amendments and understand them, I would request that members have their amendments submitted to their colleagues at least 2 hours in advance. That won't preclude anybody from offering amendments, but it would give us a way to avoid surprise and to be able to discuss the proposed amendments in advance. And this would apply to both sides of the aisle.

Mr. Barton. Mr. Chairman, I want to ask a clarifying question. Since it is going to be open for amendment at any point, you are going to ask that members follow chronological order in offering amendments starting with title I. Let's assume

that our first two amendments are to title I. Once you start on a title, are you going to finish that title? Or if a member who put in 2 hours in advance an amendment to title III, would you go to that amendment and then come back to title I?

The Chairman. I would not bar anybody from going back to a title that has been responded to.

Mr. Barton. So if somebody puts an amendment at the desk that meets your 2-hour notification, so they get preference in order of recognition but that amendment is to a latter title once you fulfill that amendment somebody could offer an amendment on title I. In other words, you are not going to close titles out?

The Chairman. We are not going to close titles out. But if members want to offer amendments to titles that we have already considered, they will have to wait until the end of the bill, so we can at least proceed in an orderly way title by title. But we will not bar members afterwards from going back to titles. We won't close out a title for further amendment. Members will have an opportunity at the end of the markup to go back to those titles.

Mr. Barton. That is somewhat confusing. But you are not going to close out a title, but -- and I am not being argumentative; I just want to understand what the rules are going to be.

You want members to have their amendments at the desk at least 2 hours in advance. While that is not a requirement of the

committee, you have indicated and I accept that it is fair, that members have the prenotification to look at the amendments. But a member -- let's be real hypothetical here.

Somebody offers an amendment to title X right off the bat that meets your 2-hour notification, they put it in tonight. Then if the very first amendment is to title X, that doesn't mean that we have got to do all the amendments to title X before you take amendments from title I?

The Chairman. I want members to understand the process and have an orderly procedure. So, we will go in chronological order starting with title I. I will recognize members who have amendments to title I before we will recognize members who have amendments to title II, in sequence.

Mr. Barton. Okay.

The Chairman. But if a member did not have an amendment to title I that they wish to offer, we will not preclude them from doing it but they will have to wait until we processed all the titles in sequence.

Mr. Barton. But your preference is to get as many of the title I amendments done.

The Chairman. Yes.

Mr. Barton. And then title II, then title III.

The Chairman. Yes. That is my preference. It is an orderly way to proceed. Members ought to have their amendments ready to each title. They ought to be at the desk and shared 2 hours in

advance so there won't be any surprises. And then we will just process the amendments in a way that I think will be both better order and more comprehensible as we consider the policies.

Mr. Barton. Now, on your what I call the guts of the bill, the cap-and-trade allowance mechanism and the free allowances versus if you auction allowances, I am not sure which title that is. I think it is title III. But whichever title it is, we have not had a hearing on that title. So there are going to be a number of just basic fact questions to ask of counsel whenever that title comes up.

What is your intention on recognition for members to ask fact-based questions about titles which have not been the subject of hearings in the hearings that have come so far before this markup?

The Chairman. I will certainly provide opportunity for counsel to respond to questions and help members understand the bill.

Mr. Barton. So as long as we are germane to the title and ask fact-based questions, you are not going to put a limit on that?

The Chairman. I think members ought to be able to ask questions and be able to offer amendments and be able to debate the substance of the issues. And if it is done in an orderly way, I think that is very helpful.

Mr. Barton. I think that is the extent of my questions, Mr.

Chairman. I appreciate your indulgence in trying to clarify how you intend to process the markup.

The Chairman. I thank you for those questions, because I do want it to be as clear as possibly can be so that we can proceed with the markup in a way that will allow members to have a full opportunity to understand the alternative proposals that would be made, and to discuss them and to be able to consider them.

Mr. Hall. Mr. Chairman.

The Chairman. Mr. Hall.

Mr. Hall. I have a question. When you asked the committee to consider H.R. 2454 as read, does that prevent any future opportunity to have it read? Would any member have the right to have it read if they made such a request of the Chair in the future?

The Chairman. Once a proposal is considered as read, it is before us. And I don't believe there is a right to have it read thereafter.

Mr. Hall. So if we agree that we consider it read now, then we have no right to ask for a reading in the future?

The Chairman. On that particular amendment. That is correct.

Mr. Hall. Then I am going to probably have an objection to your asking it be considered read. I will reserve my time.

Mr. Barton. Mr. Chairman, I have one more question.

The Chairman. Yes, Mr. Barton.

Mr. Barton. I yielded back, but Mr. Hall's question prompted one more. I have a substitute amendment for the entire bill. I don't know how long it is, but it is substantial. When would it be appropriate for me to offer that amendment in the nature of a substitute for the entire bill? Do you have a preference about that?

The Chairman. I would leave it to the gentleman to decide when he wishes to offer that amendment.

We will have the bill. I will offer an amendment in the nature of a substitute. And at that point, if the gentleman wishes, he may offer his amendment in the nature of a substitute.

Mr. Barton. What if I do not wish? Would I be precluded later in the markup? And I am not playing a game here. But we have a complete substitute, and it is going to touch on many of the amendments that will also be offered individually. So I don't know whether it is appropriate to offer it at the very beginning or at the very end or somewhere in the middle.

The Chairman. I would prefer you offer it at the beginning. What I don't want to see happen is that you wait until Thursday late afternoon, and then ask for a very, very, very long bill to be read when members want to proceed with the markup.

Mr. Barton. Thank you, Mr. Chairman.

The Chairman. I now call up for consideration H.R. 2454, the American Clean Energy and Security Act of 2009. And I ask unanimous consent that the first reading of the bill be dispensed

with. Without objection, that will be the order.

Now, H.R. 2454 is now considered as read and the Clerk will designate section 1.

The Clerk. H.R. 2454, a bill to amend clean energy jobs, achieve energy independence, reduce global warming pollution, and transition to a clean energy economy.

[The information follows:]

***** COMMITTEE INSERT *****

The Chairman. I have at the desk an amendment in the nature of a substitute which I offer at this time, and I ask unanimous consent to consider the amendment in the nature of a substitute as read.

[The information follows:]

***** COMMITTEE INSERT *****

Mr. Barton. Reserving the right to object.

The Chairman. The gentleman is recognized.

Mr. Barton. Mr. Chairman, I am not going to object, but I do wish to ask when a summary of the amendment in the nature of a substitute will be given to committee and whether we will have an opportunity to ask questions about that before we actually begin the markup. Do you want to do that this afternoon, or do you want to do that tomorrow? I am not asking to read the bill. I am asking how we get a summary of the bill to members to read to be prepared for tomorrow.

The Chairman. The substitute I am offering primarily makes technical changes to the American Clean Energy and Security Act. It corrects cross-references and contains other clerical corrections. Let me summarize the other changes in the substitute for you briefly.

The substitute recognizes that we have reached agreement on a revised definition of biomass --

Mr. Barton. Mr. Chairman, I would ask that you suspend until the bells stop ringing so that we can actually hear you.

The Chairman. Okay.

The substitute recognizes that we have reached agreement on a revised definition of "biomass" with a number of members who expressed concern about the prior definition. I commend Representatives Stupak and Butterfield for their work on this

language. Having worked our way through this issue in regard to the renewable electricity standard, the substitute applies to compromised definition title VII of the Clean Air Act and the renewable fuels standard.

The substitute revises provisions related to new source review under the Clean Air Act to clarify that these requirements would not apply going forward for greenhouse gas emissions from new or modified power plants and other sources.

The substitute also includes a new section providing the Secretary of Transportation with the authority to establish an open fuel standard in the event that sufficient fuel volumes and infrastructure are expected to be available.

I think these changes are common sense, and I would urge members to support the substitute. But that is the summary of the substitute.

Mr. Barton. Mr. Chairman, continuing to reserve the right to object. I appreciate your verbal summary. My question still remains.

Is there a written summary of the changes? Is there a written summary, explanation, that highlights those changes? And, if so, can members on both sides have access to that sometime this afternoon so we can prepare for the markup tomorrow?

The Chairman. I think that is a reasonable request, and we will make such a summary available to all members of the committee.

Mr. Barton. Thank you.

Mr. Walden. Reserving the right to object.

Mr. Waxman. The gentleman is recognized on his reservation.

Mr. Walden. Thank you, Mr. Chairman. Given your comments about reaching agreement with members on your side of the aisle on the biomass provisions, I wonder if the chairman would perhaps provide for me the definition of old growth and mature forest stands, as noted on page 11 of your amendment in the nature -- I am sorry, page 20, lines 11 and 12, so that those of us who weren't direct party to those negotiations perhaps can gain a more clear understanding of, on Federal forest lands, what the definition of mature forest is, and the same on old growth.

The Chairman. I certainly would be pleased to offer you the definition of the terms as we understand it.

Mr. Walden. Do you have that?

The Chairman. I don't have it at this moment, but we will give that information to you after we have concluded our proceedings this evening.

Mr. Walden. If I might, does counsel have that information?

The Chairman. This isn't really the time to ask questions of the counsel. We are asking at this point whether the amendment in the nature of a substitute will be under consideration. And then, once it is under consideration, then questions may be asked. But you have raised a question, and we will get the answer to you.

Mr. Walden. I appreciate that, Mr. Chairman.

Mr. Barton. Mr. Chairman, I remove my reservation.

The Chairman. Without objection, the amendment in the nature of a substitute is considered as read.

We will meet tomorrow at 10:00 a.m. and consider amendments and questions and further discussions of the legislation before us. I would request that all members have their amendments ready to be offered at the appropriate place in the consideration of the legislation, and that it be shared with your colleagues 2 hours before the amendments are being offered.

Mr. Upton. Mr. Chairman, might I just ask what your intention is, knowing that we are going to have a couple long days, how long you intend to go tomorrow night?

The Chairman. I think members ought to be prepared to work late every single night the rest of this week.

Mr. Upton. Is late John Boehner time at 9:00? Or is it Joe Barton time at midnight?

Mr. Barton. If it is up to me, it will be midnight.

The Chairman. Never ask me to choose between two Republicans on their different points of view.

Mr. Upton.

Mr. Barton. Bring a sleeping bag.

The Chairman. That concludes our business for today, and we will reconvene tomorrow at 10:00 a.m.

[Whereupon, at 3:26 p.m., the committee was adjourned.]