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House Prepares to Vote on Waxman-Markey Climate Change Bill

[Travis Ritchie](#)

The leadership in the U.S. House of Representatives hopes to bring comprehensive climate change legislation to the House floor for a vote on Friday. The leadership is urging Democratic members and a few moderate Republicans to support passage. According to news reports, 190 Democrats have committed to support passage so far. A total of 218 votes are needed for passage.

Energy and Commerce Committee Chairman Henry Waxman (D-Calif.) and Agriculture Committee Chairman Collin Peterson (D-Minn.) announced on Tuesday that they had reached agreement on certain key provisions of H.R. 2454, otherwise known as “The American Clean Energy and Security Act.” The bill seeks to implement a cap-and-trade system aimed at reducing greenhouse gas (“GHG”) emissions from electricity providers, large industrial sources, the oil and coal industries, and others. The Energy and Commerce Committee approved H.R. 2454 on May 21, 2009. It has been difficult for Congress to pass a comprehensive climate change bill because the provisions impact so many industries and threaten to increase energy prices for consumers.

The agreement between Rep. Waxman and Rep. Peterson clears away one of the potential obstructions for the bill. Rural Democrats on the Agriculture Committee threatened to vote against the bill unless certain concessions were made to protect rural electric utilities and farmers. Rep. Waxman allayed some of those concerns by agreeing to allocate 0.5 percent of the bill’s proposed free carbon allowances to rural electric co-ops that have less than 4 million MW capacity.

The Agriculture Committee won another major concession this week that shifts oversight of agricultural offset credits away from the EPA to the USDA. The change would put the USDA in charge of programs that would monitor and pay farmers and other landowners to conduct GHG emission reduction projects, such as planting extra trees as carbon sinks or installing methane digesters over waste lagoons. Such programs could create a financial boon for farmers by allowing them to sell emission credits to other regulated entities that cannot meet the bill’s required GHG emission reductions.

Newsletter Editors

[Craig S. Bloomgarden](#)
Partner
cbloomgarden@manatt.com
310.312.4240

[Ted Wolff](#)
Partner
twolff@manatt.com
212.790.4575

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The Ways and Means Committee also reached a compromise on certain provisions in the bill, including the elimination of a refundable energy tax credit for low-income families. In its place, the latest bill offers an Energy Refund Program that would deliver monthly benefits via government programs. The committee is also interested in strengthening provisions that would protect against unfair competition from businesses in countries that can produce goods more cheaply because those countries do not have similar climate change protections.

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Support for the bill received another substantial boost following the Congressional Budget Office's release of a new report showing a much lower projected impact on per-household energy costs from the bill than Republican opponents had previously indicated. The report estimated that the annual per-household cost for the proposed bill would reach only \$175 in 2020. This estimate contradicts GOP cost estimates that predicted annual per-household costs of over \$3,000.

Democratic leaders hope to send the bill to the floor as early as this Friday, June 26.

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FOR ADDITIONAL INFORMATION ON THIS ISSUE, CONTACT:



[Travis Ritchie](#) Mr. Ritchie is an Associate in the firm's Land Use, Environment & Energy Practice Group. His practice focuses on environmental issues including water law and administrative law.

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