



### Defending Agriculture

Legal, environmental hot button issues that impact U.S. farmers.

## Climate Bill Compromise?

Posted on July 08, 2010 at 12:14 PM

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The Obama administration is pushing for a climate or energy bill to cap and tax carbon emissions. The conventional wisdom in Washington is there is no time for a climate or cap and tax bill this year that would cap carbon dioxide emissions or its equivalents.

I am not sure it is wise to bet against the President on this issue.

There are two views. One is that carbon pollution will destroy the earth as alleged by former Vice President Gore. The other view is that this issue is based on data that is or may be fraudulent.

The House of Representatives has passed the Waxman-Markey bill, creating a mammoth EPA bureaucracy which would control how we build our cars and trucks, construct our homes and commercial buildings and would even require states to come up with plans to reduce electricity use and miles traveled in order to reduce carbon emissions.

Last month Sen. Richard Lugar, R-Ind., introduced S. 3464, which has been dubbed a compromise. I have read the bill and will outline some of its provisions here. You can decide if you believe such legislation should be passed.

Title 1 of his bill claims its goal is to reduce our dependence on foreign oil. The Obama administration is going to force fuel efficiency standards for passenger cars and trucks, so Sen. Lugar would go one step further and require that cars and trucks annually increase their fuel efficiency by 4% from the prior model year.

Loopholes The 4% annual increase prescribed for each succeeding model year will not be required if it is technically unachievable, impossible to achieve without reducing overall safety, or if the auto company can show clear and convincing evidence that the 4% increase is not cost effective.

If the manufacturer is unable to meet the federal standards, a fuel guzzler tax will be imposed which can run as high as \$3,500 per vehicle. That, of course, would be a real incentive.

Another requirement under Section 112 of Sen. Lugar's bill is a provision which requires a certain percentage of automobiles and light duty trucks to be dual-fueled to handle biofuels. In fact, the legislation would require for model years 2013 and 2014 a mere 50% of all vehicles manufactured be required to be dual-fuel vehicles. For model year 2015 and beyond, 90% of the vehicles will have to be dual-fuel so that they can use biofuels.

What is interesting about this is that Renewable Fuel Standard 2 (RFS2) only requires 36 billion gallons of renewable fuels. The last time I checked, the American consumer burns close to 140 billion gallons of gasoline so it might appear that many of us will be required to buy a dual-fueled vehicle and then be unable to find sufficient renewable fuel for it. We would burn regular gas in an expensive dual-fueled vehicle, as happens today.

The legislation gets better when it comes to our homes and commercial buildings. Zoning and setting standards have traditionally been a local issue. Sen. Lugar's legislation would require an overall energy savings for new residential buildings of 30% by 2012. A 50% reduction in energy use will be required by 2015.

All of these standards will be enforced by the Secretary of Energy. States will be required to certify that the state has updated its residential and commercial building codes regarding energy efficiency. With our budget hemorrhaging money, this one section authorizes \$300 million for each fiscal year starting in 2011 through 2015. If the state does not follow the dictates of the statute, the Secretary shall establish modified codes or standards that meet the targets set by the statute.

In a section that sounds like "cash for caulkers," there is an annual target set for retrofitting 5% of the existing homes in the United States and 2% of the commercial buildings. Of course, financial assistance will be provided to applicants.

Agriculture is not left out There is a Rural Energy Savings Program where the legislation authorizes, for fiscal year 2010, \$993 million to assist those of us in rural America to engage in energy efficiency measures that would include "... structural improvements and investments in cost effective, commercial off-the-shelf technologies to reduce home, barn, and permanent farm structure energy use."

By the way, this section would add 10 additional employees to USDA's Rural Utilities Service at a cost of \$1,100,000 for each fiscal year from 2010-2019.

Sen. Lugar's bill is a compromise. I have only covered a few sections of his proposed legislation. The money proposed to be spent and the controls to be imposed in the name of reducing carbon are worth examining.

You may determine Washington is not where you want more taxing, spending and regulation - even as a compromise, and even from a good man such as Sen. Lugar.

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Comments
Posted by hog farmer on July 8 at 9:39 PM
Why drag it out? This steady erosion of our freedom is getting old. Lets just sign everything over to the politicians and get it over with. Unbelievable that people just sit like sheep waiting to get fleeced.

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Sen. Lugar's Climate Bill may be better than Waxman-Markey, but it will still be restrictive and expensive.

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