April 21, 2009

CONGRESSIONAL RECORD — Extensions of Remarks

E919

HON. ROBERT E. ANDREWS
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 21, 2009

Mr. ANDREWS. Madam Speaker, I would like to bring attention to a letter sent by John M. Reilly, of the MIT Joint Program on the Science and Policy of Global Change, to Minority Leader John Boehner. During the debate on the FY10 Budget Resolution, the cost of a cap and trade program became a major point of contention. Mr. Reilly, in this letter, clearly explains the methodology used by MIT to determine the approximate cost to an average family of a cap and trade proposal. As the letter makes evident, the actual cost to the average American family will likely far less than estimated by our friends on the other side of aisle.

JOINT PROGRAM ON THE SCIENCE AND POLICY OF GLOBAL CHANGE, MASSACHUSETTS INSTITUTE OF TECHNOLOGY,
Cambridge, MA, April 1, 2009.

Representative John Boehner (R-OH), Office of the House Republican Leader, Washington, DC.

It has come to my attention that an analysis we conducted examining proposals to reduce greenhouse gas emissions, Report No. 146, Assessment of U.S. Cap and Trade Proposals, has been misrepresented in recent press releases distributed by the National Republican Congressional Committee. The press release claims our report estimates an average cost per family of a carbon cap and trade program that would meet targets now being discussed in Congress to be over $3,000, but that is nearly 10 times the correct estimate which is approximately $340. Since the issue of legislation to control greenhouse gas emissions is now on the table, we felt the need to take an opportunity to clear up any misunderstandings created by this press release and to avoid further confusion.

Why is this estimate so different? As far as I can tell the $3,000+ is based on the potential auction revenue the government could collect by auctioning the allowances over the period through 2050, whereas a simple average over all years from 2015 to 2050 was computed. The tax revenue collected through such an auction, the costs of reducing greenhouse gas emissions, and the average impact on a household are very different concepts.

Thus, there are several things wrong with this calculation. First, the auction revenue is determined by the CO2 price and how many allowances are issued—allowances tell us how many tons of CO2 (or more broadly greenhouse gases) will continue to be emitted. The cost of reducing emissions depends on how much emissions are reduced not on how much continues to be emitted. Second, the CO2 price reflects the cost of the last ton of emissions reduced but there are many options that cost much less than avoiding the last ton and so using the CO2 price multiplied by the number of tons (either reduced or emitted) is misleading. The average cost to a household depends on how allowances or the allowance revenues are distributed. Fourth, the costs are borne over time and in the average annual net present value cost per family would be over $340—only a part of which would be actual energy bill increases. This $340 includes the direct effects of higher energy prices, the cost of measures to reduce energy use such as adding insulation to homes, and the costs of producing energy, and impacts on wages and returns on capital. The cost per household will vary from our hypothetical average family of four depending on the household’s circumstances and income levels with large heating and cooling bills because of the climate in which they live or who drive more than average will face higher costs.

The higher energy prices encourage reductions in energy use by increasing the payback on improvements in energy efficiency, and through such investments households can avoid paying more for energy. Jobs and wages in fossil fuel industries are likely to decline but job opportunities will increase in industries that produce alternative energy sources that provide less risk to our energy security.

While the $340 average annual cost we estimated for a family is just one tenth of the $3000+ cited in the misleading press release, Congress should address the costs of this problem in a way that provides that provides less risk to our energy security.

Climate change poses severe risks for the U.S. and the world. It will take efforts in the U.S. and abroad to reduce emissions substantially to avoid the most serious risks of climate change. One of the perplexing aspects of this problem is that the solution involves using cleaner energy sources that are more costly than conventional fossil fuels. And the higher energy prices needed to cover the higher costs will fall primarily on the poorer members of society in the U.S. and abroad. However, the less wealthy members of our economy also stand to suffer most from climate change—whether it is through the risks of flooding if climate change disrupts crops, the lack of access to air conditioning under extreme heat, or vulnerability to other extreme weather and storm events which may increase with climate change.

Many of the proposals currently being considered by Congress and as proposed by the Administration have been designed to offset the higher energy costs for all income households and so it is simplistic and misleading to only look at...
the impact on energy prices of these proposals as a measure of their impact on the average household. Concern about the cost impacts on middle and low income families needs to be focused on making sure allowance or tax revenue is used to offset cost impacts on these households rather than as an excuse for not proceeding with measures that would help avert dangerous climate change.

Sincerely,

JOHN M. REILLY

HONORING CONGRESSMAN JIM SAXTON’S CAREER

HON. JOHN H. ADLER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 21, 2009

Mr. ADLER of New Jersey, Madam Speaker, my predecessor, former Congressman Jim Saxton faithfully represented the 3rd Congressional District of New Jersey for 24 years. His lifelong dedication to public service and integrity made him one of the most respected Members of the House of Representatives.

As a senior member of the House Committee on Armed Services, Congressman Saxton was able to save 17,000 jobs and create 1,500 new ones by pushing through legislation to create the country’s first Army-Air Force-Navy megabase by combining Fort Dix, McGuire AFB and Lakehurst Naval Air Station.

Congressman Saxton also left a lasting environmental legacy for New Jersey and for the United States. As a high ranking member of the House Natural Resources Committee and co-founder of the bipartisan Congressional Wildlife Refuge Caucus, the Congressman was dedicated to preserving the county’s natural treasures and safeguarding the environment for future generations.

Congressman Jim Saxton’s career is a shining example of bipartisanship and public service. I am humbled to represent the district that elected such a worthy and honorable man for over two decades.

In honor of Congressman Saxton’s service to the residents of New Jersey’s 3rd Congressional District I have sponsored legislation, H.R. 986, which would name the post office in Mount Holly, New Jersey after him. I hope my colleagues will cosponsor this legislation to honor their former colleague.

STOP MARKETING TOBACCO PRODUCTS TO KIDS

HON. MARY JO KILROY
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 21, 2009

Ms. KILROY, Madam Speaker, for far too long, there has been a lack of oversight and regulation of a product that causes more than 392,000 deaths in the U.S. each year. Our constituents, I’d contend, would be shocked to know what little oversight actually exists over tobacco products—the fuel driving the leading cause of preventable death in the United States.

Today I want to tell you about a new, despicable product being sold in 3 cities around the country, including my hometown of Columbus, Ohio. Reynolds America is currently using my constituents in Columbus as guinea pigs and testing a smokeless tobacco product that looks like a mint. How is a child supposed to tell the difference between a mint that freshens your breath and one that gives you cancer?

According to an article in a suburban Columbus newspaper, many high school students are using smokeless tobacco during school hours. The American Lung Association has confirmed with school janitors that they are finding smokeless tobacco pouches in the trash—confirming that kids are using smokeless tobacco in class. These new forms of tobacco will only make it easier for children to get access to tobacco products and become lifelong addicts. They won’t even have to dispose of the evidence.

What we need is for Congress to finally pass into law the Family Smoking Prevention and Tobacco Control Act. This legislation would finally give the U.S. Food and Drug Administration authority to regulate deadly tobacco products. Among other items in this bill, the FDA would be granted authority to regulate these appalling new smokeless, dissolvable tobacco products that are now hitting the market in Columbus.

Chairman WAXMAN stated the other day that he intends to move this legislation “very, very soon.” I thank him for his leadership and urge this chamber to do just that so we can reduce the addiction, disease, and death caused by these products.