



Myths and Facts Surrounding Climate Change Legislation

Doesn't it cost too much to address climate change?

Myth

Under the proposed bill, consumer costs for energy will increase by \$1700 to \$3000 annually.

Facts

- The independent Congressional Budget Office foundⁱ that the “net annual economy-wide costs in 2020 would be about \$175 per household” under the proposed bill. That’s about an extra 48 cents per day more for energy for the average household.
- The Environmental Protection Agency has calculatedⁱⁱ that consumer spending on utility bills will decline by roughly 7% by 2020 as a result of the legislation.
- Professor John Reilly, the author of the MIT study that is being citedⁱⁱⁱ to show a \$3,000+ annual household cost for climate change legislation, has criticized those who are citing his study for misleading and inaccurately reporting the findings. That 2007 study does not review the specific bill the House passed. In either case, the citation seems to be inappropriate and inaccurate.

Is climate change real? Even if climate change is real, does this do anything to stop it?

Myth

There is a vigorous debate within the scientific community about climate change and whether it's real and what causes it.

Facts

- Only 11% of the American public doubts that climate change is real and happening.^{iv}
- Most people want the United States to reduce carbon emissions that cause global warming (78% in a June 2009 Survey^v).
- The [conclusion] worldwide, peer-reviewed scientific consensus indicates global warming is a planet-wide threat and mankind's contribution is clear:
 - In 2007, the United Nations Intergovernmental Panel on Climate Change released its fourth report, developed with the input of hundreds of world-renowned scientists. They indicate that warming of the world's climate system is unequivocal. Most of the observed increase in global temperatures is the result of human greenhouse gas concentrations (higher than 90 percent likelihood); the probability that this increase is caused by natural climatic processes alone is less than five percent.^{vi}
 - The United States government's Global Change research program issued a report which states: “The global warming observed over the past 50 years is due primarily to human-induced emissions of heat-trapping gases. These emissions come mainly from the burning of fossil fuels (coal, oil, and gas), with important contributions from

the clearing of forests, agricultural practices, and other activities.” That same report finds that climate-related changes are already observed in the United States and its coastal waters. These include increases in heavy downpours, rising temperatures and sea level, rapidly retreating glaciers, thawing permafrost, lengthening growing seasons, lengthening ice-free seasons in the ocean and on lakes and rivers, earlier snowmelt, and alterations in river flows.” Finally, that report finds “the projected climate changes are likely to increasingly challenge U.S. capacity to efficiently produce food, feed, fuel and livestock products.”^{vii}

- A January 2009 University of Illinois at Chicago poll of 10,000 earth scientists, analyzed by specialization found:
 - 96.2 percent of climatologists believe that the mean global temperatures have risen compared to pre-1800s levels, and 97.4 percent believe that human activity is a significant factor in changing mean global temperatures.
 - Among all respondents, 90 percent agreed that humans significantly influence the global temperature.
 - Petroleum geologists and meteorologists were among the biggest doubters, with only 47 percent and 64 percent, respectively, believing in human involvement.^{viii}

- In 2007, Harris Interactive surveyed 489 randomly selected members of either the American Meteorological Society or the American Geophysical Union. The survey found:
 - 97 percent agreed global temperatures have increased during the past 100 years;
 - 84 percent say they personally believe human-induced warming is occurring;
 - Only five percent believe that human activity does not contribute to greenhouse warming; and,
 - 84 percent believe global climate change poses a moderate to very great danger.^{ix}

Myth

Without developing countries like China and India participating in reducing greenhouse gasses, this bill will have no impact on global warming.

Facts

- While the United States cannot completely address this problem alone, as the world's largest economy and world's second-largest CO² emitter^x, we must do our part. The bill will reduce U.S. carbon emissions by 17 percent by 2020 and 83 percent by 2050 from 2005 levels.

- The European Union that includes many of the world's largest industrial countries is committed to tackling this problem as is Japan and Australia—a large majority of the world's industrial countries are already committed and some have even begun taking action on this problem.

If the largest economy in the world—the United States—refuses to take action, what incentive is there for developing countries to act in a major way? Can American action guarantee a global accord on this issue? Of course not. Will American inaction on this issue result in nothing being done globally? Almost certainly, yes.

Isn't climate change something we can deal with later? It doesn't seem to be an urgent problem right now.

Myth

Stopping this bill means we don't have to deal with energy and climate change issues.

Facts

- The Supreme Court ruled in 2007's *Massachusetts vs. the Environmental Protection Agency* that greenhouse gasses pose a human health hazard, and said the EPA MUST regulate activities that are a significant cause of greenhouse gas emissions under the Clean Air Act. More recently, the Bush administration found that human activities—namely driving car engines—are a significant cause of greenhouse gas emissions. The Obama administration confirmed this finding and EPA took the first steps toward carrying out that ruling, opening the door to the regulation. Once that precedent is set it will be a simple matter to begin regulating greenhouse gas emissions from other sources, which either the EPA can do on its own or it will be compelled to do by citizen lawsuits.
- In the same way that a precedent has been set to regulate climate change issues under the Clean Air Act, work has begun to potentially expand regulations under the revision of the Clean Water Act.
- Both President Obama and EPA Administrator Jackson have said that they prefer a legislative solution, given the extent of the issue and since existing laws are not tailored to this specific problem. Make no mistake, however, if Congress fails to act on greenhouse gases, EPA MUST and will take regulatory action under the current mandate. Unfortunately, refusing to be part of the legislative process leaves agriculture exposed to regulation without the opportunities to mitigate cost and create income.

As a result of this legislation, won't American industry cease to be internationally competitive and flee the United States?

Myth

We will lose millions of jobs to foreign countries as a result of this legislation.

Facts

- Prominent American companies such as General Electric, Ford, Siemens, Hewlett-Packard Johnson & Johnson and John Deere, for example, have all endorsed the bill. "In the past, the U.S. has proven that we have the will, the capabilities and the courage to invest in innovation—even in difficult times," said Jeff Immelt, Chairman and CEO of General Electric. "Today, cap-and-trade legislation is a crucial component in fueling the bold clean energy investments necessary to catapult the U.S. again to preeminence in global energy and environmental policy, strengthen the country's international competitiveness, and create millions of rewarding new American jobs."^{xi}
- Utility and power companies such as Duke Energy, ConocoPhillips, Shell, BP America and PG&E also support the bill. These companies view climate change legislation as an opportunity.
- Labor organizations like the Communications Workers of America (CWA), United Steel Workers (USW), Service Employees International Union (SEIU), Laborers' International Union of North America (LIUNA), Utility Workers Union of America (UWUA), and the United Federation of Teachers (UFT) and others are working together as the Blue Green Alliance to pass comprehensive clean energy and climate change legislation, and more.^{xii}

- The bill includes provisions to protect American companies from adverse effects and insure American competitiveness, including:
 - A border tax adjustment to increase the price of foreign-made goods from countries without a climate change commitment.
 - Provisions to reduce the compliance costs for energy intensive industries, such as the fertilizer and steel industries.
- This bill creates a whole new energy industry in the United States, resulting in new jobs:
 - A new workforce will be needed to create new low-carbon energy sources and new low-carbon power technologies, etc.
 - This new U.S. based energy industry will help us break free of our addiction to foreign oil and create a new energy independent America.

Will climate change legislation have a disproportionately negative impact on agriculture and rural Americans?

Myth

The proposed energy bill will radically increase fuel and fertilizer prices for farmers.

Facts

- The University of Missouri recently released an analysis of production cost impacts from potentially higher energy costs that may result from passage of the House-passed bill. The projected production costs for the average Missouri farm producing:
 - Dryland corn would increase 3.2 percent by 2020, and by 3.8 percent in 2030;
 - Irrigated corn would increase 3.5 percent and 4.1 percent;
 - Soybeans 1.6 percent and 2 percent; and,
 - Soft red wheat 4.1 percent and 2.8 percent.

While these represent increased production costs, the increases are modest; especially considering no analysis was done of benefits to agriculture resulting from offsets or larger renewable energy market opportunities.^{xiii}

- The Iowa State University also released an analysis of the impact of the bill on the average Iowa corn and soybean farm. That report projects an increased production cost of \$4.52/acre by 2020 as a result of legislation, or roughly a 1.5 percent increase. The analysis concludes: “[I]f the United States adopts a cap-and-trade policy to combat climate change, the negative impacts on agriculture will likely be relatively small, particularly if agricultural emissions remain uncapped.” Iowa State took its analysis one step further and estimated that producers could make on average \$8/acre for switching to no-till alone and selling the resulting carbon benefits in the offset market. Add in the billions of dollars of revenue as a result of biomass, biogas, wind turbines and solar cells, and the rural/agricultural economic impact looks better still.^{xiv}
- Doing nothing comes at an alarming expense. Global climate change will increasingly impact humans, major economic sectors and even regions of our country.^{xv}
- Doing nothing does nothing to address our increasing dependency on foreign and fossil fuels. The cost inherent in this legislation pales in comparison, while also providing opportunities through offset income, development and production of renewable energy sources.

Myth

Rural power comes from coal-fired plants and this legislation unfairly taxes rural electricity and rural economies.

Facts

- It is true that many utility plants that power rural America use coal, but the bill takes this into account. In the House debate, Chairman Peterson was able to lower the compliance cost that rural electric coops face. As a result, the National Rural Electric Cooperative Association praised House leadership for addressing fairness and while the bill needed more work, “would not stand in the way of passage” of the House bill.^{xvi}
- The bill was designed with coal in mind and creates transition timelines and authorizes research on how coal can be used cleaner. Former House sub-committee chairman over energy, Rep. Rick Boucher from the coal-mining state of Virginia, had this to say about the bill: “I support the bill. Approximately 80 percent of the electricity in my district is coal generated, and coal production is one of our region's major industries and major employers. Not surprisingly, my focus in the shaping of the bill in the Energy and Commerce Committee was to keep electricity rates affordable and to enable utilities to continue using coal which accounts for 51 percent of electricity generation nationwide. Both of these goals have been achieved.”^{xvii}
- Rather than treat rural America unfairly, the bill can act as a vehicle to revitalize our rural communities. With opportunities to generate renewable energy, and earn income from conservation practices, producers could diversify their income streams dramatically.

Myth

The House energy bill doesn't have any real opportunities for agriculture.

Facts

Agriculture and forestry have the most opportunities to gain of any sectors in the economy.

- The energy and climate change bill creates opportunities for producers to generate electricity on an unheard of scale:
 - If passed, the bill will stimulate wind turbines and solar cells being deployed on the landscape—and producers can earn income.
 - Biomass from agricultural and forestry waste and residue, and biogas from methane digesters, will all benefit under this bill, allowing producers to earn income from waste products.
- Finally, producers have a chance to grow dedicated renewable crops as a way to replace coal in generating electricity and as alternative liquid fuels to foreign produced oil. These markets represent billions of dollars a year as agriculture and forestry rise to the challenge of a new green economy. That's why the Renewable Fuels Association^{xviii} supports the bill and 25 x '25^{xix} believes, “It is critically important for the agriculture and forestry sectors to become engaged in the carbon/climate change policy discussions that are occurring in and outside of government and to proactively advocate for the enabling policies that will be necessary for our sectors to deliver and be compensated for the carbon reduction services we can and will provide.”
- The bill will create an offset market in which farmers and ranchers will be able to sell credits earned from conservation and stewardship practices that sequester or eliminate carbon. Currently, the voluntary markets available to producers trade carbon at \$1-2 a ton, but the EPA predicts that a mandatory system will be selling carbon at \$15-20 a ton, with a total domestic market of one billion tons. While agriculture won't be the only sector generating offsets, it will be a major player—even at only a quarter of the market, agriculture stands to gain over \$3 billion annually.

ⁱ Congressional Budget Office, “The Estimated Costs to Households from Cap-and-Trade Provisions of HR 2545” June 19, 2009.

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- ⁱⁱ Environmental Protection Agency, “Economic Analysis of The American Clean Energy and Security Act of 2009” June 23, 2009
- ⁱⁱⁱ Prof. John Reilly of MIT, Letter sent to House Republican Leader Boehner, April 1 2009, available at <http://thinkprogress.org/wp-content/uploads/2009/04/republican.pdf>
- ^{iv} Cornelia Dean, “Survey reveals gap in acceptance of warming”, NY Times July 10, 2009
- ^v The Mellman Group, June 24, 2009 national Survey of 1,000 likely 2010 voters.
- ^{vi} United Nations, Intergovernmental Panel on Climate Change, Fourth Assessment Report: Climate Change 2007
- ^{vii} U.S. Global Change Research Program, June 2009 found at <http://downloads.globalchange.gov/usimpacts/pdfs/climate-impacts-report.pdf>
- ^{viii} CNN International, “Surveyed scientists agree global warming is real” found at <http://edition.cnn.com/2009/WORLD/americas/01/19/eco.globalwarmingsurvey/index.html>
- ^{ix} US News and World Report, “Survey Tracks Scientists’ Growing Climate Concern” found at <http://www.usnews.com/articles/news/national/2008/04/23/survey-tracks-scientists-growing-climate-concern.html>
- ^x Found at http://www.ucsus.org/global_warming/science_and_impacts/science/each-countrys-share-of-co2.html
- ^{xi} United States Climate Action Partnership, “Business and Environmental Leaders Release Landmark Blueprint for Climate Protection Legislation” January 15, 2009
- ^{xii} Found at http://www.bluegreenalliance.org/about_us?id=0001
- ^{xiii} The Effect of Higher Energy Prices from H.R. 2454 on Missouri Crop Production Costs, July 2009 FAPRI-MU Report #05-09.
- ^{xiv} Bruce Babcock, Costs and Benefits to Agriculture from Climate Change Policy, Iowa Ag Review, Summer 2009
- ^{xv} Found at www.globalchange.gov/usimpacts
- ^{xvi} “Electric Cooperatives Reach Agreement with Chairman Waxman on Carbon Allowances”, June 23, 2009, found at <http://www.nreca.org/main/NRECA/PublicPolicy/issuespotlight/20090623WaxmanCarbonAllowances.htm>
- ^{xvii} Found at http://www.boucher.house.gov/index.php?option=com_content&task=view&id=1733&Itemid
- ^{xviii} Found at <http://renewablefuelsassociation.cmail.com/T/ViewEmail/y/C192A849C6FF6842>
- ^{xix} Found at http://www.25x25.org/index.php?option=com_content&task=view&id=709&Itemid=254