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Senate Global Warming Bill Is Seeking to Cushion the Impact on Industry

By [JOHN M. BRODER](#)

WASHINGTON — The Senate bill aimed at reducing [global warming](#) pollution will initially grant billions of dollars of free emissions permits to utilities and industry but will require the bulk of the money be returned to consumers and taxpayers, according to newly released details.

The bill will also provide a cushion to energy-intensive manufacturing companies to ease the transition to a lower-carbon economy and to help them compete internationally, although the subsidies will disappear over time. The measure also sets a floor and ceiling on the price of permits to emit carbon dioxide and other greenhouse gases.

With these and other changes considered, the [Environmental Protection Agency](#) estimates that overall cost of the bill at roughly \$100 a year per household, similar to that of a House climate change and energy bill passed in June.

The Senate measure, sponsored by Senators [John Kerry](#) of Massachusetts and [Barbara Boxer](#) of California, both Democrats, aims to reduce greenhouse gas emissions under a [cap-and-trade](#) system that sets a nationwide limit on emissions but allows polluters to buy and sell permits to meet it.

The bill's targets for overall emissions reductions are 20 percent below 2005 levels by 2020, 42 percent by 2030 and 83 percent by 2050. The House bill's limits are similar, except the target for 2020 was set at 17 percent after negotiations with utilities and other major sources of emissions.

Senators Kerry and Boxer introduced their bill in late September with a number of missing provisions. They filled in those blanks late Friday with a more detailed 923-page draft that spells out the formula for distributing pollution allowances and other provisions.

The latest version includes new financing for research on capturing and storing carbon dioxide emissions from power plants, more money for low-carbon transportation projects, additional assistance for rural communities and more favorable treatment for agriculture and forestry.

"We've reached another milestone as we move to a clean energy future," Mrs. Boxer said in a statement, "creating millions of jobs and protecting our children from dangerous pollution."

The bill is before the Senate Environment and Public Works Committee, which Mrs. Boxer leads. The panel has scheduled three days of hearings next week and has tentatively set markup to begin the following week.

The E.P.A. analysis of the Kerry-Boxer bill found that its costs and impact were roughly equivalent to those of the House bill, which was sponsored by Democratic Representatives [Henry A. Waxman](#) of California and [Edward J. Markey](#) of Massachusetts. The two bills would reduce overall American emissions by nearly the same amount over the next 40 years. The costs to consumers are also similar, the agency found.

Neither bill would add to the federal deficit and both measures could actually produce some revenue from the sale of emissions permits, the agency found.

The E.P.A. did not try to quantify the benefits to individuals or society of reducing greenhouse gas pollution.

Other studies have found higher costs, although all such estimates are based on assumptions about how businesses and consumers would behave as energy costs rise and how quickly new technology would appear to replace increasingly costly fossil fuels.

Senate Republicans dismissed the E.P.A. analysis as incomplete and have threatened to boycott committee action until a more thorough analysis is done.

“It’s not unreasonable to demand that a committee, prior to legislative hearings, would actually have the bill in question with adequate time for review and analysis,” said Senator [James M. Inhofe](#), Republican of Oklahoma, the senior Republican on the Senate environment committee.

“On top of that,” added Mr. Inhofe, who is a global warming skeptic, “one would think that, prior to legislative hearings, the committee would have a thorough, comprehensive economic analysis to understand how an 900-plus page bill, designed to fundamentally reshape the American economy, affects consumers, small businesses, farmers and American families.”

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