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Obama Opposes Trade Sanctions in Climate Bill

By [JOHN M. BRODER](#)

WASHINGTON — [President Obama](#) on Sunday praised the energy bill passed by the House late last week as an “extraordinary first step,” but he spoke out against a provision that would impose trade penalties on countries that do not accept limits on [global warming](#) pollution.

“At a time when the economy worldwide is still deep in [recession](#) and we’ve seen a significant drop in global trade,” Mr. Obama said, “I think we have to be very careful about sending any [protectionist](#) signals out there.”

He added, “I think there may be other ways of doing it than with a tariff approach.”

The passage of the House bill on Friday night was an important, if tentative, victory for the president, becoming the first time either chamber of Congress had approved a mandatory ceiling on the gases linked to global warming.

Mr. Obama, hoping to build momentum in the Senate after the narrow victory in the House, delayed the start of a Sunday golf game to speak to a small group of reporters in the Oval Office.

He acknowledged that the initial targets for reducing emissions of heat-trapping gases set by the House bill were quite modest and would probably not satisfy the governments of other countries or many environmental groups. But he said he hoped to build on those early targets in fashioning a more robust program in the future as part of his administration’s efforts to move the nation from an economy based on fossil fuels toward one built on renewable energy sources.

Mr. Obama predicted that similar energy legislation would face a difficult slog through the Senate and require months of tough negotiations and additional compromises. The horse-

trading and vote-buying that helped House leaders secure a 219-to-212 victory will be magnified in the Senate, where several powerful committee leaders are already asserting authority and Democratic moderates hold more power than their counterparts in the House.

Mr. Obama set no timetable for Senate action but exhorted its leadership to take the House bill as a benchmark and “seize the day.”

The president used the interview to put the House vote in the context of his broader efforts to modernize the American economy by shifting to cleaner and more efficient forms of energy.

He said the House bill was a “comprehensive approach” that included a cap-and-trade program to limit heat-trapping gas emissions, incentives for new energy efficiency measures and support for wind and [solar energy](#) as well as nuclear power and so-called clean coal technology.

He said that those measures, combined with the administration’s new automobile mileage standards and stimulus spending on research and home weatherization, represented a sea change in American energy policy.

“I think it’s fair to say that over the first six months we’ve seen more action on shifting ourselves away from dependence on foreign oil and fossil fuels than at any time in several decades,” Mr. Obama said.

Mr. Obama linked the energy and health care fights, saying that major revisions in both were necessary because “everybody knows what we’re doing isn’t working.”

“The status quo is unacceptable,” he said.

As he has done in the health care discussions, Mr. Obama refused to deliver definitive judgments on specific provisions of the energy bill, leaving the legislative wrangling to members of Congress. But he said his bottom line for energy and climate change legislation included meaningful reductions in heat-trapping gas emissions, strong incentives for energy efficiency, protections for consumers and businesses against spikes in energy costs, and deficit neutrality.

“If it meets those broad criteria,” he said, “then it’s a bill I want to embrace.”

The House bill contains a provision, inserted in the middle of the night before the vote Friday, that requires the president, starting in 2020, to impose a “border adjustment” — or tariff — on certain goods from countries that do not act to limit their global warming

emissions. The president can waive the tariffs only if he receives explicit permission from Congress.

The provision was added to secure the votes of Rust Belt lawmakers who were wavering on the bill because of fears of job losses in heavy industry.

In the floor debate on the bill Friday, one of its authors, Representative Sander M. Levin, Democrat of Michigan, said, "As we act, we can and must ensure that the U.S. energy-intensive industries are not placed at a competitive disadvantage by nations that have not made a similar commitment to reduce greenhouse gases."

In the interview on Sunday, Mr. Obama said American industries like steel, aluminum, paper and glass had legitimate concerns about competition from developing nations. But he warned that trade sanctions based on the extent to which other countries curbed carbon dioxide emissions might be illegal and counterproductive.

Mr. Obama has sometimes sent mixed signals about his attitude toward free trade. In the Democratic presidential primary, he was fiercely critical of several free trade agreements with China, Caribbean countries and Mexico for failing to include strict enough environmental standards. He argued that the United States should threaten to pull out of the [North American Free Trade Agreement](#) to renegotiate protections for the environment as well as workers' rights.

But as president, Mr. Obama has not made a priority of renegotiating Nafta or other trade agreements. And he has always indicated that though he favors adjusting some rules, he supports the principle of free trade.

In the interview, Mr. Obama had few words of comfort for those who may have taken a political risk by voting for the House climate change bill, and no threats for the 44 House Democrats who defied their leadership to oppose it.

"I think those 44 Democrats are sensitive to the immediate political climate of uncertainty around this issue," Mr. Obama said. "They've got to run every two years, and I completely understand that."

Many of the Democrats who voted against the legislation represent districts that rely heavily on coal for electricity and manufacturing for jobs.

Mr. Obama said the House bill contained transitional assistance for these regions.

But he expressed scorn for the Republicans who fought the bill in the House. He noted that some of them had predicted political doom for those who voted for it, recalling the 1993 battle over an energy tax that failed and helped Republicans gain control of the House a year later.

Those Republicans “are 16 years behind the times,” he said, comparing their position to that of Republican leaders in the energy and health care debates of the early Clinton years.

“They’re fighting not even the last war,” he said. “They’re fighting three wars ago.”

David D. Kirkpatrick contributed reporting.

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