

## *SPPI News Search 11-06-08*

### **Dingell-Waxman Brouhaha Awaits**

[http://www.rollcall.com/issues/54\\_54/politics/29923-1.html](http://www.rollcall.com/issues/54_54/politics/29923-1.html)

Less than a day after firming their grip on the House, Democrats geared up for an internal battle royal as Oversight and Government Reform Chairman Henry Waxman (Calif.) launched a bid to wrest the gavel of the Energy and Commerce Committee from Rep. John Dingell (Mich.).

The contest promises to reopen ideological rifts in the party over climate change and other issues just as the committee prepares to tackle an ambitious agenda in concert with President-elect Obama. It carried shades of two years ago when House Democratic elation at recapturing the majority was immediately doused by the bruising fight between Reps. Steny Hoyer (Md.) and John Murtha (Pa.) over the Majority Leader slot.

Dingell was blindsided by Waxman's maneuver, and he fought back furiously.

"Dingell has proven that he is the best person for this job," his spokeswoman Jodi Seth said. "This is unhealthy, and does not benefit the party in any way.

"Tearing a leadership apart is something the Republicans should be doing after their big loss, it shouldn't be the first order of business for the Democrats after a historic election."

She added, "Dingell has a strong record of accomplishment for the first two years back in the majority and is positioned to move full speed ahead with an aggressive agenda on climate change, health care reform and food and drug safety in the 111th Congress."

Supporters on both sides have already leapt to the parapets, working the phones to figure out where their colleagues will line up.

The question of the day for Dingell supporters appears to be who knew about Waxman's move before Dingell did — and whether Waxman has tacit support from any Democratic leaders. Leadership stayed mum on the fight, with spokesmen for Speaker Nancy Pelosi (D-Calif.), Hoyer and Majority Whip James Clyburn (D-S.C.) all declining to comment. Sources said Rep. Tom Davis (R-Va.), the ranking member on the Oversight Committee who is retiring from Congress, knew about Waxman's decision before it made the press Wednesday morning.

Waxman issued a statement late Wednesday that did not mention Dingell.

"We will need the very best leadership in Congress and our committees to succeed. That is why after long thought I have decided to seek the chairmanship of the Committee on Energy and Commerce. Enacting comprehensive energy, climate, and health care reform will not be easy. But my record shows that I have the skill and ability to build consensus and deliver legislation that improves the lives of all Americans," he said.

Waxman's move highlights longstanding fault lines among senior House Democrats.

Dingell and Pelosi's relationship has been strained since 2002, when she endorsed Democrat Lynn Rivers in a bitter primary challenge to Dingell. At the start of the 110th Congress, Pelosi

outraged Dingell by creating a special select committee — chaired by Rep. Ed Markey (D-Mass.) — to advocate for action on climate change legislation. That year, Pelosi, backed by Waxman, clashed with Dingell over the regulation of vehicle emissions, with Dingell seeking to protect the auto industry from new layers of regulation at the state level, and conflicts are certain next year when a major global warming bill is expected to move through Dingell's committee.

At the time, Waxman ripped Dingell as practicing “business as usual” and protecting special interests, and questioned why he would back a policy that a minority of Democrats supported.

“Democratic chairmen should be getting their votes from Democrats and some Republicans,” Waxman said at the time, “not Republicans and some Democrats.”

Markey and Waxman have advanced principles for legislation, but any bill would have to move through the Energy and Commerce Committee. Environmentalists have suggested that Dingell was not moving quickly enough to take up climate change legislation.

Waxman might also find himself in an uncomfortable spot as head of the Oversight and Government Reform Committee. The committee's mandate is essentially to investigate the executive branch; the committee has been a launching pad for the many of the most incendiary allegations against the White House under Presidents Clinton and Bush.

But with a new Democratic president arriving on a wave of popular support, the watchdog function that Waxman clearly relishes is likely to be strictly muzzled by House leadership — at least for the foreseeable future.

By contrast, the Energy and Commerce Committee could assert jurisdiction over major portions of Obama's agenda — health care, alternative energy, climate change and even restoring stability to financial systems. On many of these issues, Pelosi is more closely aligned ideologically with Waxman than with Dingell, and clearly Waxman is seen as an ally of the Speaker while Dingell is not.

Dingell might be able to argue that since so much of the presidential election was about rescuing manufacturing jobs in the Midwest, it is a poor signal to replace a chairman from Michigan with a chairman from California. Also, California is already well-represented among senior leadership: Aside from Pelosi and Waxman, California Democrats already chair the Education and Labor Committee (Rep. George Miller), the Foreign Affairs Committee (Rep. Howard Berman) and the Veterans' Affairs Committee

Committee chairmanships are put to a vote of the membership, but only after recommendations have been made by the Democratic Steering and Policy Committee — technically two committees — chaired by Pelosi allies Rep. Rosa DeLauro (D-Conn.) and Miller.

Dingell's backers warn that a putsch could open Democrats up to just the kind of partisan overreach that helped lead to the 1994 Republican revolution.

A House Democratic aide sympathetic to Dingell noted his history of working to get bipartisan accomplishments signed into law.

“That's something that Democrats should be concerned about. If we don't do things differently and more on a bipartisan basis, then that might be what happens,” the aide said.

A Dingell defeat could send shock waves through the chamber, tossing aside seniority and putting more power in the hands of leadership if even the oldest of old bulls like Dingell can be slaughtered.

Policy-wise, the auto industry would see the weakening of its greatest patron at the moment of its greatest need, with auto sales dropping by their greatest margin since World War II and automakers looking to the federal government for help to stave off bankruptcies and massive layoffs.

Environmentalists, who have clashed with Dingell, could see his defeat as a boon, with a greater chance to shape global warming and other legislation.

The shake-up of committees also was going on in the Senate but behind the scenes. Democratic leaders have already signaled their desire to remove Sen. Joe Lieberman (ID-Conn.) from atop the Homeland Security and Governmental Affairs Committee, based on his aggressive attacks against President-elect Obama during the campaign and his endorsement of Republican nominee Sen. John McCain (Ariz.).

Senate Majority Leader Harry Reid (D-Nev.) is expected to meet with Lieberman Thursday. Democratic aides have repeatedly said that Lieberman is likely to lose his chairmanship but not be kicked out of the caucus.

Democratic leaders have also been mulling whether to replace ailing 90-year-old Senate Appropriations Chairman Robert Byrd (D-W.Va.) by making him chairman emeritus. He would likely be replaced by the next-most-senior appropriator, 84-year-old Sen. Daniel Inouye (D-Hawaii). If Inouye takes Appropriations, Sen. Jay Rockefeller (D-W.Va.) would likely take over as chairman of the Commerce, Science and Transportation panel.

It's unclear whether Inouye, who ran afoul of Democratic leaders this election cycle by making a last-ditch push for the re-election of his good friend Sen. Ted Stevens (R-Alaska), might be punished along the same lines as Lieberman for his lack of party loyalty. Stevens was convicted last week of seven felony counts of lying about gifts he received on financial disclosure forms, and Inouye put out a statement saying Stevens would likely be able to serve in the Senate while his case is appealed. Reid strongly disputed Inouye's 11th-hour assertion, saying Stevens would face expulsion from the chamber based on his conviction.

Sen. Joseph Biden's (D-Del.) election as vice president creates an opening on the Foreign Relations Committee. Banking, Housing and Urban Affairs Chairman Chris Dodd (D-Conn.) is next in line but is expected to stick with the Banking panel. That would put Sen. John Kerry (D-Mass.) at the helm of Foreign Relations.

If history is any guide, Democrats will be able to add at least one extra seat to their majority on every committee, based on the five seats they picked up Tuesday night. If they were to win all four of the undecided Senate races, they could make an argument to increase their committee majority from two seats to three, but Republicans have the ability to filibuster any organizing resolution setting committee ratios.

One former Senate GOP leadership aide said Republicans would likely point to a two-seat advantage as the precedent if Democrats do not win any more seats, but that Democrats would probably argue for a three-seat majority regardless.

If Democrats have a majority above 56, the aide said, "it will be harder [for Republicans] to fend them off" from achieving a three-seat advantage on committees.

But one senior Senate Democratic aide said it was unlikely that Democrats would seek a three-seat advantage even if they win close elections in Oregon, Minnesota, Georgia and Alaska.

Either way, the aide said, Republicans will likely press to enlarge the total number of Senators permitted to sit on committees so their Members can keep their seats. If the total number of seats on each panel remained the same, many less-senior Republicans would likely be forced to give up plum assignments to make room for the enhanced Democratic majority.

Reid spokesman Jim Manley said Reid began making phone calls to existing and new Members on Tuesday to find out what committee assignments they would like.

**Steven T. Dennis and Emily Pierce contributed to this report.**

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The New President  
The Climate Change Trap  
William Pentland, 11.06.08

[http://www.forbes.com/2008/11/05/obama-climate-change-biz-energy-cx\\_wp\\_1106energy\\_print.html](http://www.forbes.com/2008/11/05/obama-climate-change-biz-energy-cx_wp_1106energy_print.html)

Last Friday, the House Republicans released a little-noticed report outlining their priorities on future climate change and energy policy.

"An energy policy that does not address all facets of energy production is a failure and threatens our economy, our national security and the environment," Reps. Tom Davis (R-Va.) and Darrell Issa (R-Calif.) said in a press release announcing the release of the report. They might as well have written a ransom note.

Obama's plans to finance an ambitious clean energy agenda by imposing a de facto carbon-emissions tax in the form of an auction-based cap-and-trade system has set the stage for an epic showdown on Capitol Hill over carbon emissions and energy legislation. The outcome will likely shape energy and environmental policies for decades.

But it also has the potential to derail the new president's larger agenda, as campaign promises, fiscal realities and industry pressure collide--a scenario that swamped the early days of the Clinton administration's work on health care. "If Obama wins the election," a report by Stanford Financial Group predicted in August, "he will face pressure to be very aggressive on strict limits and auctions and could find himself in the unenviable position of having his climate change effort become his 'Hillary Care.' "

Under a cap-and-trade system, a regulatory body allocates CO<sub>2</sub> emission allowances to companies, typically by way of auction, but sometimes for no cost. Each allowance represents the right to emit one ton of CO<sub>2</sub> or CO<sub>2</sub>-equivalent GHG. The total allowances distributed to a company represent the total emissions that it can produce in any given year without penalty. Companies that emit less than their allowances permit, or can reduce emissions more cheaply than their peers, can either bank their surplus allowances for future years or can sell them to companies whose emissions exceed their own allowances.

In Europe's cap-and-trade scheme, the European Union allocated emissions allowances for free to emitters of carbon dioxide or other greenhouse gases. The bulk of the value of these grants has accrued to the owners of the emitting facilities, according to multiple analyses. In particular, European power generators factored the secondary market value of their allowance grants into their production costs--leading to significant increases in European power prices and profits.

If the U.S. also allocates allowances for free, unregulated power, generators will likely pass through the value of allowances consumed to wholesale power prices. In other words, cap and trade would be a boon for carbon-intensive electricity producers--at least those located in

unregulated electricity markets--because they raise rates to reflect the market value of those allowances.

"Regulated utilities will reposition their cash outlays so that they will recover their costs by raising rates," said Hugh Wynne, a senior research analyst at Sanford C. Bernstein. "Unregulated utilities will pass through the costs by raising the prices they charge in wholesale markets."

While Obama and McCain both supported cap-and-trade legislation, they proposed two very different systems. Obama's version would make electricity producers buy emissions allowances, and McCain's version would have given them allowances free. These systems may lead to similar carbon emissions cuts, but they also lead to wildly different economic outcomes.

"It doesn't matter whether emissions allowances are auctioned or given away freely," said Michael Wara, an assistant professor of law at Stanford Law School. "Both approaches ultimately have the same impact on cutting carbon emissions. Generally speaking, they also have the same impact on the broader economy. The only difference is who ends up with the money. We're creating a huge asset class and different constituencies have different claims to it. Who gets the goodies? This question will drive the politics far more than the size of emissions cuts. Only legislation that answers this question in a way to the satisfaction of the stakeholders has any real chance of passing."

McCain's system would have given unregulated power generators a windfall profit. Although power generators would receive allowances with no offsetting cost, unregulated generators could still demand higher prices because of those allowances, which would increase profits materially. In particular, Dynegy, DPL, Reliant, NRG, Exelon and FirstEnergy would have seen profits rise under this system, according to a report by Bernstein Global Wealth Management.

On the other hand, an auction-based cap-and-trade system would require power generators to buy allowances from the government. This would drive up electricity prices for consumers, especially in coal-fired regions like the Midwest and Southeast. Meanwhile, an auction-based approach would be a boom to renewable energy projects like wind, solar and geothermal, which would not need to buy carbon allowances.

"If coal-fired plants and natural gas plants are selling electricity in the same market, coal producers will have to buy twice the number of allowances as natural gas plants," said Wynne. "It may not put them out of business, but it will squeeze their margins and reduce their profitability."

Obama campaigned on a platform that championed an exclusively auction-based cap-and-trade system. While campaign promises seldom translate perfectly into post-election agendas, this particular campaign promise could seem especially less palatable now. If producers had to pay \$25 for every metric ton of carbon they emitted, rates would need to rise anywhere from 23% to 43% at coal-fired utilities in the Midwest and 15% to 29% at coal-fired utilities in the Southeast to offset the costs of emissions allowances, according to a recent analysis by Bernstein Research.

In different circumstances, Obama could ease the hike in electricity prices in particularly sensitive areas like Appalachia, which has a higher concentration of low-income households and coal fired plants than other regions, by mixing auctions and allowances as needed. But doing so could undercut an equally important campaign promise to ramp up spending on energy research and development, especially since the Wall Street bailout depleted government coffers, and a slowing economy reduced tax revenues.

The result: The Republican minority in Congress has ample fodder to fight the full implementation of Obama's clean energy and carbon emissions cuts agenda. If Democrats push the agenda too aggressively, they risk provoking a political backlash. Welcome to the White House, Mr. President.

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## Police warn of growing threat from eco-terrorists

<http://www.guardian.co.uk/environment/2008/nov/09/eco-terrorism-earth-first-elf>

Fear of deadly attack by lone maverick as officers alert major firms to danger of green extremism

The aftermath of a claimed attack by the Earth Liberation Front on a 4x4 car dealership in California. Photograph: Sarah Reingewirtz / AP



Police have warned of the growing threat of eco-terrorism after revealing they are investigating a group which has supporters who believe that reducing the Earth's population by four-fifths will help to protect the planet.

Officers from a specialist unit dedicated to tackling domestic terrorism are monitoring an eco-movement called Earth First! which has advocates who state that cutting the Earth's population by 80 per cent will ease pressure on other species. Officers are concerned a 'lone maverick' eco-extremist may attempt a terrorist attack aimed at killing large numbers of Britons.

The National Extremism Tactical Co-ordination Unit, which collates intelligence and advice to police forces, has revealed that eco-activists are researching a list of target companies which they believe are major polluters or are exacerbating the threat of climate change.

The unit is currently monitoring blogs and internet traffic connected to a network of UK climate camps and radical environmental movements under the umbrella of Earth First!, which has claimed responsibility for a series of criminal acts in recent months.

A senior source at the unit said it had growing evidence of a threat from eco-activists. 'We have found statements that four-fifths of the human population has to die for other species in the world to survive.

'There are a number of very dedicated individuals out there and they could be dangerous to other people.'

Earth First! says its mission is 'about direct action to halt the destruction of the Earth' and advocates 'civil disobedience and monkeywrenching', tactics that include sabotage and disruptive behaviour. The movement has links to US environmental extremists which have waged a campaign of violence in America, including the firebombing of a string of 4x4 car dealerships in California in 2003 and alleged arson attacks on other property.

The anti-extremist unit has already alerted a number of major companies which have been accused of being carbon polluters with advice on how they can withstand being targeted by eco-terrorists. Companies are thought to include airport operator BAA, an international mining conglomerate BHP Billiton and firms connected to UK coal-fired power stations.

'They are doing research of possible targets, looking at shareholders and financiers. For example, they could research an airline and see how many of its aircraft are not environmentally friendly,' said the NETCU source.

Although green extremists have yet to embark on an orchestrated campaign of violence in the UK, officers warn that they may be about to launch a campaign of intimidation and fear aimed at disrupting businesses. 'For some people, if they can justify it in their minds, then it's a noble cause even if it's a criminal action. They haven't started yet, but we believe they will come up with a strategy and tactics,' said the source at the unit, who described the movement as well-funded and organised.

A spate of recent attacks, for which Earth First! supporters have claimed responsibility, has included vandalism of branches of seven German banks such as Deutsche Bank and Allianz AG. The actions were apparently because the banks hold shares in UK Coal, which plans to build new coal-fired power stations.

A statement on the Earth First! website explains the attacks by saying: 'Exploitation of the environment and people by the state and industry go hand in hand. They cannot be separated and both must be attacked. Social war, not climate chaos.'

Another attack hit a quarry in Staffordshire which belongs to Bardon Aggregates, a company that also owns a controversial quarry at Glensanda on the north-west coast of Scotland. The Scottish quarry is accused of spoiling the Highlands environment. The Earth First! website states: 'We slashed tyres, stripped paint jobs, glued locks and trashed conveyor belts. All the earth movers were hit and many of the cement and aggregate trucks. This action cost us very little but should cost Bardon thousands.'

Among the network of groups under the Earth First! umbrella are various climate camps. Last August police found a stash of knives and weapons beside one such camp in Kent. Protesters, however, said they had nothing to do with the weapons and accused police of launching a 'smear campaign'.

A spokesman for Derby Earth First! said the movement was strictly non-violent, if not always law-abiding. He said: 'If someone does ecological damage we would perhaps break the law and protect the ecology, but the ecology also includes humans.'

'We're all about communities. Capitalism is the problem and we want to return to a more sustainable time. But we are not about reducing the population, that is just scaremongering by the police.'

The rise of eco-extremism coincides with the fall of the animal rights activist movement. Police said the animal rights movement was in 'disarray' and that its ringleaders had either been prosecuted or were awaiting prosecution, adding that its 'critical mass' of hardcore extremists was sufficiently depleted to have halted its effectiveness. Last Thursday a prominent animal rights activist accused of planting petrol bombs at Oxford University was cleared of possessing an explosive substance with intent.

Reports on the Earth First! Journal website, which tells users how to send encrypted emails, reveals connections to the Earth Liberation Front (ELF) which has been linked to a series of violent attacks in the US. ELF was classified as the top domestic terrorism threat in the US by the FBI in March 2001.

The ELF was founded in 1992 in Brighton by members of the Earth First! movement who wanted to form a breakaway group that would use more extreme tactics.

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