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Political Diary
Wall Street Journal
June 6, 2008

Climate-Change Collapse

Environmentalists are stunned that their global warming agenda is in collapse. Senator Harry Reid has all but conceded he lacks the vote for passage in the Senate and that it's time to move on. Backers of the Warner-Lieberman cap-and-trade bill always knew they would face a veto from President Bush, but they wanted to flex their political muscle and build momentum for 2009. That strategy backfired. The green groups now look as politically intimidating as the skinny kid on the beach who gets sand kicked in his face.



Arlen Specter

Those groups spent millions advertising and lobbying to push the cap-and-trade bill through the Senate. But it would appear the political consensus on global warming was as exaggerated as the alleged scientific consensus. "With gasoline selling at \$4 a gallon, the Democrats picked the worst possible time to bring up cap and trade," says Dan Clifton, a political analyst for Strategas Research Partners. "This issue is starting to feel like the Hillary health care plan."

It's a good analogy. Originally, Hillary health care had towering levels of support, but once people looked at the cost and complexity they cringed. Jobs were on the mind yesterday of Senator Arlen Specter, who has endorsed a tamer version of cap-and-trade. "Workers in Pennsylvania worry that this will send jobs to China," he tells me. They're smart to worry. Look no further than the failure of the Kyoto countries to live up to their promised emissions cuts. Bjorn Lomborg, the author of *The Skeptical Environmentalist*, tells me: "The Europeans are so far behind schedule, it is almost inconceivable that they will meet their targets."

Even John McCain, a cap-and-trade original co-sponsor, now says that this scheme won't fly until China and India sign on – which could be never.

Senators also criticized Warner-Lieberman's failure to clearly specify what would happen with the vast revenues the climate bill would generate – some \$1 trillion over the first decade, which environmental groups wanted as a slush fund to finance "green technologies." Senator Judd Gregg of New Hampshire insisted the proceeds be used for other tax cuts, like the elimination of the corporate income tax. The Natural Resources Defense Council desperately tried to persuade Congress in the 11th hour that the expensive price tag is a bargain because "the

cost of inaction" would reach \$1.8 trillion by 2100 due to increased hurricanes and rising oceans – an argument without a shred of scientific or fiscal credibility.

Republicans in the Senate this week did such a masterful job of picking the cap-and-trade bill apart with objections, yesterday Barbara Boxer of California was "pulling her hair out with frustration," as one Republican leadership staffer put it.

Environmentalists have always eyed 2009 as the real target year for enactment. But there was no show of strength this week and cap-and-trade may have reached its political high water mark. Conservatives at least are in a far stronger position now to demand major pro-growth tax cuts in exchange for new global warming taxes.

-- Stephen Moore



Inhofe Statement on Climate Tax Bill's Demise **Friday, June 6, 2008**

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Inhofe Statement on Climate Tax Bill's Demise

[Link to Press Release](#)

WASHINGTON, DC – Sen. James Inhofe (R-Okla.), Ranking Member of the Environment and Public Works Committee, commented today on the cloture vote that effectively halted the Climate Tax Bill.

"This bill was doomed from the start," Senator Inhofe said. **"When the Majority Leader filled the amendment tree and filed cloture on the Climate Tax Bill, it was obvious that the Democrats were not serious about supporting this bill. This was one of the largest bills ever considered by this Congress and probably the largest non-appropriations bill the Senate has ever considered. This bill deserved a full and honest debate, with amendments offered and voted upon. The American people did not deserve a political exercise geared toward election year politics. Republicans were prepared to debate this bill with over 150 amendments ready to be offered. The Democrats did not want to debate and vote on our amendments that**

were aimed at protecting American families and workers from the devastating economic impacts of this bill. The 1990 Clean Air Act amendments were considered on the Senate floor for five weeks, and this comprehensive climate bill demands at least equal debate.

"The committee process was short-circuited, the floor debate was circumvented, and the amendment process was derailed. I do not see how the Democrats use this failed bill as any kind of model for future success. As I suspected, reality hit the U.S. Senate when the economic facts of this bill were exposed. When faced with the inconvenient truth of the bill's impact on skyrocketing gas prices, very few Senators were willing to even debate this bill."

Background:

This week's Climate Tax Bill debate revealed many useful insights into why the American people will remain skeptical of a global warming cap-and-trade system.

The *Wall Street Journal* aptly noted on June 6 that environmentalists are "stunned that their global warming agenda is in collapse" after the Climate Tax Bill debate. "The green groups now look as politically intimidating as the skinny kid on the beach who gets sand kicked in his face. Those groups spent millions advertising and lobbying to push the cap-and-trade bill through the Senate," the paper noted. "With gasoline selling at \$4 a gallon, the Democrats picked the worst possible time to bring up cap and trade," the analyst added. ([LINK](#))

Roll Call quoted frustrated Democrat staffers as being beside themselves in anger for the way the cap-and-trade bill was presented.

"We have no strategy, no message and no plan," said one senior Senate Democrat aide. "Everyone knows this bill is going nowhere. The president is opposed to it. The House is not inclined toward action on this, and now we're going to spend valuable floor time on a bill that's going nowhere .. while Republicans are champing at the bit to accuse Democrats of raising gas prices," the aide added. ([LINK](#))

What We Learned This Week:

1) Raise Gas Prices Higher: "Government studies confirm this will only raise gas prices." The EPA estimates that the Lieberman-Warner bill will increase fuel costs an additional 53 cents per gallon by 2030 and by \$1.40 by 2050. The Energy Information Agency (EIA) estimates gas prices will increase anywhere from 41 cents per gallon to \$1.01 per gallon by 2030.

2) Largest Tax Increase Ever: The Climate Tax Bill was the largest tax increase in American history. The Congressional Budget Office (CBO) says Lieberman-Warner would effectively raise taxes on Americans by over a trillion

dollars just during the next 10 years. The bill would have created \$6.7 Trillion in the form of higher gasoline and electricity bills, and with no climate benefit. The Lieberman-Warner bill did not have a tax cut provision in it. Boxer's claim of "tax relief" in the bill is based on a non-binding Sense of the Senate resolution that says some funds "should be" used to protect consumers from the coming "increases in energy and other costs" caused by the bill (Section 585, page 204 of substitute version, Sense of the Senate on Tax Initiative to Protect Consumers).

3) Nuclear Energy Lacking: Nuclear power is by far the world's largest sources of non-emitting energy. Any credible attempt to reduce carbon emissions must include significant development of new nuclear plants. Merely passing a climate bill will not be enough to support the nuclear construction needed to satisfy the bill's mandates. Additional incentives will be indispensable in the near-term to revitalize the industry to a level that encourages massive development.

4) Job Killer: The independent Energy Information Administration says the bill would result in a 9.5% drop in manufacturing output and higher energy costs, and that it will be worse unless we can build 268 new nuclear plants by 2030. This country has already lost 3 million manufacturing jobs since 2000. An analysis of this bill by the National Association of Manufacturers states that up to 1.8 million jobs could be forfeited by 2020 and 4 million jobs could be by 2030. Midwestern states alone could lose close to a million jobs alone in this time frame. Without international participation, which this bill fails to adequately address, global concentrations of greenhouse gases will continue to increase, even if America were to nearly eliminate its emissions.



McConnell: What are they Afraid of?

"The Majority has blocked us from offering even one amendment regarding this massive restructuring. And that makes me wonder, why doesn't the Majority want a fair debate on this bill?"

WASHINGTON, D.C. - *U.S. Senate Republican Leader Mitch McConnell delivered the following remarks on the Senate floor Thursday regarding the Democrat Majority's decision to block a fair and open amendment process on the Boxer Climate Tax bill:*

"Earlier this week, the Majority Leader said that global warming was 'the most important issue facing the world today.'

“And nearly three fourths of the Senate thought it was an important enough issue to debate on the Senate floor—74 Senators voted to bring this measure to the floor for debate because they recognize the significance of this issue. And yet the Majority is blocking fair consideration.

“Instead of allowing a full debate with an open amendment process designed to improve the bill, Democrats last night ‘filled the tree.’

“But what are they afraid of? Why don’t they want to consider amendments to a bill addressing what they call ‘the most important issue facing the world today?’

“At \$6.7 trillion, the Climate Tax bill is the largest bill we will consider this Congress. And, as the *Wall Street Journal* noted, this legislation represents the most extensive reorganization of the American economy since the 1930s.

“Which is why I’m mystified as to why the Democrats decided to block consideration of any and all amendments designed to improve this bill – no consideration of gas prices, no consideration of clean energy technology.

“A bill with such widespread ramifications merits serious, thoughtful consideration, and a thorough debate.

“When the Senate considered the *Clean Air Act Amendments* in 1990, the process took 5 weeks on the floor; 180 amendments were offered, and 131 were ultimately acted upon by the full Senate. As things currently stand, we won’t even spend 5 days on this bill.

“And the Majority has blocked us from offering even one amendment regarding this massive restructuring. And that makes me wonder, why doesn’t the Majority want a fair debate on this bill? What are they afraid of?

“If this bill alone will ‘save the planet’ as they say, why are they refusing to allow an open debate? Or more than two days on the bill?

“Perhaps they don’t want to expose this bill for what it really is: a Climate Tax.

“This legislation will raise gas prices, electricity prices, diesel prices, natural gas prices and fertilizer prices. It will also put America at a significant economic disadvantage compared to the rest of the world.

“Given that families are already struggling to pay record high gas prices – it’s nearly \$4.00 a gallon now – Congress should be working to lower gas prices – not increase them.

“Republicans are eager to offer amendments to the Boxer Climate Tax bill to develop clean energy solutions and promote economic growth. In America, we

tackle problems like this is with technology, not by clamping down on our own economy.

“If the Majority is serious about debating this issue, then let’s have a real debate, complete with an open amendment process. Don’t shut it down after only one day.

“This issue is far too important to consumers, our economy, and the climate to block a thorough consideration.”

Note: “Given that families are already struggling to pay record high gas prices – it’s nearly \$4.00 a gallon now – Congress should be working to lower gas prices – not increase them.”

\$3.99

Another Record High For Gas Prices And Democrats Continue To Ignore The Issue

Avg. Price Of Gas Nationwide:

\$3.99 Per Gallon

[\(“National Unleaded Average,” AAA, 06/05/08\)](#)

SINCE DEMOCRATS TOOK THE MAJORITY:

\$1.66 Per Gallon Increase

When the Democrats took over Congress on January 4, 2007, the average price of regular gasoline was \$2.33 per gallon. ([“Retail Gasoline Historical Prices: Data 3: Regular All Areas Formulations,” Department Of Energy, Accessed 11/28/07](#))

SINCE 48 DEMOCRATS VOTED TO BLOCK INCREASED OIL SUPPLY

\$.27 PER GALLON INCREASE

The American Energy Production Act Of 2008: ([S.Amdt.4720, Roll Call Vote #123, Rejected 42-56: R 41-6; D 1-48; I 0-2, 05/13/08](#))

On May 13, 2008 the average price of gas was \$3.72 per gallon. ([“Retail Gasoline Historical Prices: Data 3: Regular All Areas Formulations,” Department Of Energy, Accessed 06/03/08](#))

**WHAT ARE THE DEMOCRATS DOING ABOUT GAS PRICES?
ATTEMPTING TO “ADD ABOUT 50 CENTS TO THE PRICE OF A GALLON OF GASOLINE”**

THE HILL: “A Bill That The Senate Will Debate After Memorial Day Could Add About 50 Cents To The Price Of A Gallon Of Gasoline, According To A Study.” ([“Warner-Lieberman Bill Could Raise Gas Prices,” The Hill, 05/19/08](#))

For Immediate Release, Thursday, June 5, 2008

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Beach bonfires may be banned

http://seattlepi.nwsourc.com/local/366025_bonfire06.html?source=mysp

They fuel global warming, parks department says

By KERY MURAKAMI
P-I REPORTER

Even with the skies overcast and threatening rain, Khang Nguyen, 18, and Joel Juan, 19, kicked back after school at Alki Beach.

"It's just a relaxing way to hang out with friends," Nguyen said of the bonfire crackling in front of them one evening earlier this week.

But Seattle Parks and Recreation might do what even this week's chilly weather couldn't -- douse the long tradition of beach bonfires at Alki and at Golden Gardens.

Park department staff is recommending reducing bonfires at the two beaches this summer and possibly banning them altogether next year.

The park board will hear the recommendation Thursday, and the city plans to run public-service announcements and hand out brochures later this month about the effects of bonfires on global warming.

According to a memo to the park board from the staff released Thursday, "The overall policy question for the Board is whether it is good policy for Seattle Parks to continue public beach fires when the carbon ... emissions produced by thousands of beach fires per year contributes to global warming."

Under the proposal, the department in July would reduce the number of fire rings at Alki from six currently to three and at Golden Gardens from 12 to seven.

Then later this year, the department would consider banning bonfires or requiring fees and permits to reduce the number of bonfires next year.

It's the second time in the past few years the tradition of lounging by a fire at the beach has run up against the environmental ramifications of bonfire smoke.

Parks and Recreation recommended banning the fires in 2004, after a violation notice from the Puget Sound Clean Air Agency to the city after someone set a couch on fire at Alki Beach. However, 1,200 people signed a petition to save Alki's bonfires, and 100 others signed a petition to save the ones at Golden Garden.

Instead, park staff said the department should do more to regulate what people burn and make sure the fires are out by 11:30 p.m.

"I think people still feel the same way (about preserving bonfires)," said Larry Carpenter, treasurer of the Alki Community Council. "Old-timers see bonfires as a tradition that they did as children and growing up. It's a nostalgia thing."

At Alki on Wednesday night, Linda Garcia, a 56-year-old West Seattle resident, walked her dog and made a slightly rose-colored argument for preserving her beloved bonfires. "It's so windy around here it probably doesn't pollute that much.

"They have to try to take everything away," she said.

Sara Russell, 34, who also was walking her dog, rolled her eyes at the idea of banning bonfires to stave off global warming.

"If they really wanted to do something, they could enforce the no-cruising law, because in the summer you see so many cars cruising around here," she said.

Russell's neighbor, Debbie Nichols, said that last July Fourth, she got up at 5:30 a.m. to grab one of the fire pits. "I wrapped myself in a blanket and sat there all day," Nichols said. "We use the fire pits all year round."

Since the park board last heard the issue, the department assigned more staff to the two sites. The number of fires using illegal materials has dropped by two-thirds, according to the park memo.

The memo also noted that restrictions could cause illegal fires and fights over the limited number of fire pits. Charging fees to use the pits could disproportionately bar youths and low-income people from having bonfires, the report said.

But Mayor Greg Nickels' plan to reduce climate-threatening pollutants "begs the question of whether Seattle Parks is acting responsibly ... to systematically reduce controllable contributions to global warming," the memo said.

"I can certainly understand it. (Global warming) is a legitimate concern," said Robert Drucker, vice president of the Sunset Hill Community Association.

Still, he said of the bonfires at Golden Gardens: "It's a long-standing tradition. I think people would be upset to see it go."

But at Alki, Nguyen said he'd be OK with banning bonfires.

"By all means, I'd rather not have bonfires than have global warming," he said.

As a sliver of silvery sky shrank under the growing clouds, Nguyen played a guitar, and maybe for the last year, the flames licked the salt air.

MORE INFORMATION

The Seattle Board of Park Commissioners will hear the bonfire ban proposal at its next meeting, Thursday at 7 p.m. The meeting will be at the park department's offices at 100 Dexter Ave. N.

P-I reporter Kery Murakami can be reached at 206-448-8131 or kerymurakami@seattlepi.com.



Oil soars on \$150 per barrel July 4 prediction

AP

Friday June 6, 9:30 am ET

By Pablo Gorondi, Associated Press Writer

Oil prices blow past \$134 on prediction that oil will hit \$150 per barrel by July 4
Oil is trading above \$134 per barrel on an analyst prediction that prices could hit \$150 by July 4.

Prices jumped \$6.43 Friday shortly after Ole Slorer of Morgan Stanley released a report saying he expected a "short-term spike in oil prices," on the back of rising demand in Asia, Dow Jones Newswires reported.

By the afternoon in Europe, light, sweet crude for July delivery was up \$6.43 to \$134.22 in electronic trading on the New York Mercantile Exchange.

On Thursday, the contract rose \$5.49 -- its biggest single-day price increase in Nymex history -- to settle at \$127.79 a barrel. Larger one-day percentage jumps have taken place in the past.



Senate action on climate bill seems doomed

<http://apnews.myway.com/article/20080606/D914HHD80.html>

Jun 6, 6:56 AM (ET)

By H. JOSEF HEBERT

WASHINGTON (AP) - Senate Republicans appeared ready to turn back an ambitious plan to reduce the risks of global warming after a week in which bipartisan bickering and political posturing seemed to drown out the environmental debate.

Supporters of a bill that would require greenhouse gases to be cut markedly and nudge the nation's energy priorities away from fossil fuels acknowledged privately Thursday that they don't have the votes to overcome strong opposition to the measure.

Even some Democrats shied away from supporting the legislation when it became clear that because of maneuvering by both sides they would not be able to get changes in the bill that they viewed as critical to their support.

President Bush has said he viewed the bill as a tax on Americans and he would veto it should it ever reach his desk.

In fact, it became increasingly clear as the week wore on that the climate bill - viewed by many environmentalists as historic and essential - was unlikely to survive the Senate, much less make it to the White House.

Senate Majority Leader Harry Reid scheduled an early morning Friday vote to try to overcome a GOP filibuster, accommodating senators eager to depart Washington for the weekend. Some of the bill's supporters privately worried they might not get 50 votes, much less the 60 needed to keep the measure alive.

Leading sponsors of the bill already began looking toward next year with a new Congress and, more importantly, a new president, either Democrat Barack Obama or Republican John McCain, both of whom favor mandatory steps to counter climate change.

"It's a road map for them," Sen. Barbara Boxer, D-Calif., one of the bill's three primary sponsors, told reporters, acknowledging Thursday that the needed 60 votes to move the bill forward had not materialized.

The 492-page bill marked the Senate's first attempt to address global warming head on since widespread consensus has emerged in recent years among

lawmakers - both Democratic and Republican - that man-made pollution is adversely changing the Earth's climate and must be addressed.

But critics of the bill said it threatened economic growth and would raise people's energy bills.

Republican leader Mitch McConnell of Kentucky argued that the bill's "cap and trade" approach to cutting carbon dioxide emissions would unleash "the largest restructuring of the American economy since the New Deal."

"It's a huge tax increase," he proclaimed even as the bill's supporters argued it actually would provide tax breaks for people who faced higher energy costs, and financial assistance to carbon intensive industries through a pollution allowance trading system.

One GOP senator after the other argued that people would be paying more for gasoline, words meant to hit home to motorists angry over having to pay \$60 to \$100 to fill their gas tanks.

"There is no increase in gas prices," Boxer insisted.

The measure would require power plants, refineries and factories to reduce their carbon dioxide and other greenhouse gases by 19 percent by 2020 and by 71 percent by 2050. Along with capping emissions, it would allow companies to buy pollution allowances to meet the cap and ease the transition from fossil fuel.

But the legislation was in trouble from the start.

A GOP filibuster threat prevented Democrats from moving quickly at the beginning of the week to consider amendments. At midweek, McConnell stunned Democrats by forcing the reading of all 492 pages of the bill into the record - an almost unheard of move that took 8 1/2 hours.

McConnell said he did so because of a dispute over judicial nominations, but Reid saw it as obstruction aimed at stonewalling the bill. Reid responded by essentially blocking any Republican amendments and set an end-of-the-week deadline for a vote.

McConnell accused Reid of refusing to give the issue a full airing. "If this is the most important issue facing the planet, it is ludicrous to think we're going to do this in four days with no amendments," he complained.

Democrats countered that Republicans all along had sought to undermine the bill with filibusters, while politically posturing that they wanted a full debate.

"You can't have a more important issue to be dealing with on the floor of the Senate," Sen. John Kerry, D-Mass., told reporters. Instead, he said, the

deliberations had been "reduced to trickery and gimmicks and parliamentary games."



Continental becomes latest U.S. airline to cut service

<http://www.iht.com/articles/2008/06/05/business/air.php>

By Micheline Maynard

Published: June 5, 2008

DETROIT: Continental Airlines said Thursday that it would cut 3,000 jobs and retire 67 Boeing aircraft from its fleet, becoming the latest airline to announce capacity reductions in the face of high prices for jet fuel.

Continental's announcement came a day after United Airlines said it was discontinuing Ted, its low-fare airline, cutting 1,100 more jobs on top of previously announced cuts and retiring a total of 100 aircraft. Delta Air Lines and American Airlines have announced similar steps.

Continental's fleet reduction, which equals a 16 percent reduction in its capacity, had been rumored in industry circles Wednesday. The details came in a message to employees from Continental's chief executive, Lawrence Kellner, and its president, Jeffrey Smisek. The airline, based in Houston, said Kellner and Smisek would not accept their salaries for the rest of 2008.

"The airline industry is in a crisis," the two executives said in the message to employees. "Its business model doesn't work with the current price of fuel and the existing level of capacity in the marketplace. We need to make changes in response."

Continental said that at current prices for jet fuel, it would pay \$2.3 billion more than in 2007 - or about \$50,000 per employee. It said that "a large number" of its flights were losing money, and that fare increases had not been enough to cover the higher fuel costs.

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"As fares increase, fewer customers will fly," the executives said, meaning the airline needed to cut flights, eliminate planes and reduce jobs to match lower demand.

Continental said it would give details next week of the flights that are to be cut or eliminated. Because of the reduced flight schedule, it said it needed 3,000 fewer employees, and would offer programs to encourage workers to leave. The airline has 45,000 employees.

It said it expected most of the employees would leave voluntarily, although there would be some layoffs. Most of the departures will take place in the autumn, although some management and clerical employees will leave sooner, the airline said.

Continental, which has already retired six Boeing 737 aircraft this year, said it would retire another 67 planes through 2009. It said 27 would be removed in September and the rest by the end of next year.

But Continental said it would continue to take deliveries of new, more fuel-efficient Boeing 737 aircraft this year and next year. The net reduction in its fleet will be 31 planes by the end of 2009, when it will have 344 aircraft, the airline said.

Continental broke off merger discussions with United in April, saying its board thought the deal would not be in Continental's best interests. The two airlines are discussing whether to form a code-sharing alliance similar to an arrangement Continental has with Delta and Northwest Airlines.



Oil prices seep into asphalt costs, detour road work

http://www.usatoday.com/printedition/news/20080606/1a_bottomstrip06_dom.art.htm

Repair projects are a blow to budgets

By Judy Keen
USA TODAY

CHICAGO — Fewer roads will be repaved this summer, thanks to soaring prices of oil-based asphalt.

Some states, cities and counties say their road-repair budgets didn't anticipate asphalt prices that are up 25.9% from a year ago, so they're being forced to delay projects.

"We will do what patching we can, but this will truly, truly be a devastating blow to the infrastructure," says Shirlee Leighton, a county commissioner in Lake County, S.D., where a 5-mile repaving project was postponed after bids came in \$79,000-\$162,000 higher than the \$442,000 budget.

The mix used to resurface roads consists of gravel and sand held together with a binder called liquid asphalt, which is made from crude oil. As oil prices rise, so does the cost of asphalt, says Don Wessel of Potem & Partners, a consulting firm that publishes *Asphalt Weekly Monitor*. "Prices are the highest I've seen in many, many, many years," he says. "The concern is that they will go up considerably."

Increases in the cost of diesel fuel used to transport, heat and lay asphalt are adding to the sticker shock, too, creating headaches across the USA:

- Larimer County, Colo., would like to resurface 16-20 miles of its 450 miles of paved roads each year. "This year, we'll be lucky to do seven miles," says road and bridge director Dale Miller.

- Paul Degges, chief engineer for the Tennessee Department of Transportation, will resurface 1,600 miles of state highway this year, well short of his 2,500-mile target. "Since my budget is not growing and costs are up, we're doing less paving," he says.

- A few paved roads in Hall County, Neb., will revert to gravel surfaces, says public works director Casey Sherlock. "At some point, they'll be potholed so bad we won't be able to keep patching them." He had hoped to resurface 6-7 miles of road this spring and could afford only 2 miles.

•In Washington County, Md., acting deputy public works director Robert Slocum is using alternative treatments requiring less asphalt. The result: More miles are being treated with less asphalt, but "ride quality" can be compromised.

•Snohomish County, Wash., pays 17% more for asphalt than a year ago, says county engineer Owen Carter. It's pooling funds with four cities to get a better price.

•The Grand Traverse County (Mich.) Road Commission plans to bid out 30 miles of resurfacing before a bond issue of up to \$4 million is finalized to lock in prices before they go even higher, Road Commission manager Mary Gillis says.

Ken Simonson, chief economist for Associated General Contractors of America, says the asphalt-price squeeze exacerbates the USA's infrastructure problems and "may force Congress and the states to find more money for roads sooner than they would have otherwise."



\$45 trillion needed to combat warming

http://news.yahoo.com/s/ap/20080606/ap_on_bi_ge/japan_iaa_climate_change

By JOSEPH COLEMAN, Associated Press Writer *Fri Jun 6, 7:06 AM ET*

The world needs to invest \$45 trillion in energy in coming decades, build some 1,400 nuclear power plants and vastly expand wind power in order to halve greenhouse gas emissions by 2050, according to an energy study released Friday.

The report by the Paris-based International Energy Agency envisions a "energy revolution" that would greatly reduce the world's dependence on fossil fuels while maintaining steady economic growth.

"Meeting this target of 50 percent cut in emissions represents a formidable challenge, and we would require immediate policy action and technological transition on an unprecedented scale," IEA Executive Director Nobuo Tanaka said.

A U.N.-network of scientists concluded last year that emissions have to be cut by at least half by 2050 to avoid an increase in world temperatures of between 3.6 and 4.2 degrees above pre-18th century levels.

Scientists say temperature increases beyond that could trigger devastating effects, such as widespread loss of species, famines and droughts, and swamping of heavily populated coastal areas by rising oceans.

Environment ministers from the Group of Eight industrialized countries and Russia backed the 50 percent target in a meeting in Japan last month and called for it to be officially endorsed at the G-8 summit in July.

The IEA report mapped out two main scenarios: one in which emissions are reduced to 2005 levels by 2050, and a second that would bring them to half of 2005 levels by mid-century.

The scenario for deeper cuts would require massive investment in energy technology development and deployment, a wide-ranging campaign to dramatically increase energy efficiency, and a wholesale shift to renewable sources of energy.

Assuming an average 3.3 percent global economic growth over the 2010-2050 period, governments and the private sector would have to make additional investments of \$45 trillion in energy, or 1.1 percent of the world's gross domestic product, the report said.

That would be an investment more than three times the current size of the entire U.S. economy.

The second scenario also calls for an accelerated ramping up of development of so-called "carbon capture and storage" technology allowing coal-powered power plants to catch emissions and inject them underground.

The study said that an average of 35 coal-powered plants and 20 gas-powered power plants would have to be fitted with carbon capture and storage equipment each year between 2010 and 2050.

In addition, the world would have to construct 32 new nuclear power plants each year, and wind-power turbines would have to be increased by 17,000 units annually. Nations would have to achieve an eight-fold reduction in carbon intensity — the amount of carbon needed to produce a unit of energy — in the transport sector.

Such action would drastically reduce oil demand to 27 percent of 2005 demand. Failure to act would lead to a doubling of energy demand and a 130 percent increase in carbon dioxide emissions by 2050, IEA officials said.

"This development is clearly not sustainable," said Dolf Gielen, an IEA energy analyst and leader for the project.

Gielen said most of the \$45 trillion forecast investment — about \$27 trillion — would be borne by developing countries, which will be responsible for two-thirds of greenhouse gas emissions by 2050.

Most of the money would be in the commercialization of energy technologies developed by governments and the private sector.

"If industry is convinced there will be policy for serious, deep CO2 emission cuts, then these investments will be made by the private sector," Gielen said.



U.S. SENATE DEMOCRATS MAY PULL CLIMATE BILL

The Washington Post, 6 June 2008

<http://www.washingtonpost.com/wp-dyn/content/article/2008/06/05/AR2008060503603.html>

By Steven Mufson and Juliet Eilperin
Washington Post Staff Writers

If this week's Senate debate on a proposed cap-and-trade system for greenhouse gases was supposed to be a dress rehearsal for climate legislation, things are not looking too good for opening night.

The week has been marked by parliamentary maneuvers and bitter accusations over divergent estimates of the bill's future costs. On Wednesday, a group of GOP senators asked that the clerk of the Senate read the entire 491-page bill aloud, an extremely rare request. That took more than 10 hours.

Although parliamentary maneuvers could still extend the debate into next week, Senate Majority Leader Harry M. Reid (Nev.) faced the prospect of failure in a bid to end debate on amendments to the climate bill this morning. In that event, he was expected to seek withdrawal of the entire measure, to the relief of some Democrats from coal-producing or heavy industrial states.

"We are going to have Democrats voting to end debate on what they call the most important issue facing the planet and Republicans voting to continue debate on it," said Don Stewart, communications director for Senate Minority Leader Mitch McConnell (R-Ky.).

Some Democrats were worried yesterday that the GOP might try to block withdrawal of the legislation to prolong a debate that many Democrats think no longer works to their political benefit. Republicans have pounced on the high price of gasoline and have stressed that the climate legislation, by introducing a price on carbon dioxide emissions, would further raise the price of gas along with that of all other fossil fuels.

James M. Inhofe (Okla.), the top Republican on the Senate Environment and Public Works Committee, said in a statement, "Now Democrats are on record as supporting legislation that would significantly increase prices at the pump and in our homes."

Dozens of amendments will die along with the bill. Several sought to impose tariffs on developing countries, such as China, that do not price carbon dioxide emissions. McConnell sought an amendment to allow the energy and transportation secretaries to suspend parts of the legislation if they believed it had raised gasoline prices.

Environmentalists said that by bringing the bill to the floor, Reid had at least gotten senators to focus on climate change for the first time in three years.

"They are now being forced to look at this: What is the United States going to do on the most important issue facing the planet?" said Frances Beinecke, president of the Natural Resources Defense Council. "You have to have something concrete to get people's attention. This did it."

Environmentalists said they plan a lobbying and advertising campaign in the months ahead aimed at recalcitrant legislators.

"We now have a clear picture of which senators are listening to oil companies instead of the public, and we intend to hold them accountable," said Jeremy Symons of the National Wildlife Federation.

Some environmentalists said the current legislation, co-sponsored by Sens. Joseph I. Lieberman (I-Conn.) and John W. Warner (R-Va.), is too weak, in any case. The bill aims to stabilize atmospheric carbon concentrations at 488 parts per million, rather than at 350 parts per million, which climate scientists such as NASA's James E. Hansen see as necessary.

"Any bill that does not set us on track to reduce atmospheric carbon levels to 350 parts per million is wishful and dangerous thinking," wrote Kierán Suckling, of the Center for Biological Diversity, in an e-mail. "We're thankful the bill was introduced, but more thankful that it did not pass."

GOP opponents, meanwhile, crowed at the prospect of the Democrats' failure. House Minority Leader John A. Boehner (Ohio) sent a letter asking House Speaker Nancy Pelosi (D-Calif.) to hold a vote on climate legislation, even though House Democrats have yet to produce a companion bill.

Rep. Rick Boucher (D-Va.), who chairs the House subcommittee charged with crafting that chamber's climate bill, said in an interview that he was unable to produce one because he and Energy and Commerce Committee Chairman John D. Dingell (D-Mich.) wanted a bipartisan bill, but the panel's top Republican, Joe Barton (Tex.), does not believe human activities contribute to global warming.

"We still want to do it this year, but as of the moment, we do not have the cooperation we need to produce a bipartisan bill," Boucher said.

Both Sens. Barack Obama (D-Ill.) and John McCain (R-Ariz.), the presumptive presidential nominees, have endorsed the cap-and-trade approach, though McCain has consistently emphasized the need for more nuclear power plants. Neither senator returned to Washington for this week's debate and vote.

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ECONOMY FIRST: EU GOVERNMENTS SPLIT ON EMISSIONS TARGETS

The Associated Press, 5 June 2008

<http://www.iht.com/bin/printfriendly.php?id=13501046>

LUXEMBOURG: EU governments were split Thursday over the best way for the 27-nation bloc to cut greenhouse gas emissions.

Germany said a plan to slash car emissions by 2012 was unfair to its automobile industry, which makes vehicles that tend to be faster, bigger, heavier and more polluting than those of other EU nations.

Sigmar Gabriel, the German environment minister, said German car makers would have to reduce car emissions by as much as 40 percent by 2012 under the plan.

"We are prepared to do what we can do," he told a webcast meeting of EU environment ministers, but said it was harder for Germany than Italy which he said made light, small cars that already just about meet the 2012 emission limit.

"We have to be honest and open with each other here," Gabriel said. "We have very different interests."

The Berlin government is under pressure from Germany's powerful car lobby - led by car makers Volkswagen, BMW and Mercedes - to weaken the emissions plan or push its deadline to 2015.

The 2012 target of 130 grams of carbon-dioxide emission per kilometer would be an average of all models a car maker produces. The EU plan sets a long-term 2015 goal of 95 grams of carbon-dioxide per kilometer.

Melanie Francis, a spokeswoman for the environmental pressure group Greenpeace, urged EU governments to "take a firm stand against the car lobby and their stone-age demands."

"Giving into them as the German government seems to have done, could undermine the EU's ability to meet its 2020 climate targets," she added. "Chancellor Merkel has talked tough on climate change, but faced with the need to take decisive action within Germany she and Minister Gabriel are coming up short."

The plan is a result of last year's ambitious pledge by EU leaders to cut the bloc's overall greenhouse gas emissions by 20 percent below 1990 levels by 2020 or by 30 percent if the United States, Japan and others join Europe in a global international emissions trading scheme.

The emissions cuts, together with energy savings and the promotion of clean energies, is part of a package of measures that EU wants to see adopted by year's end.

On Thursday, World Environment Day, East European nations pushed for a rewrite of a plan to slash the EU's industrial greenhouse gas emissions by 20 percent compared to 2005.

Hungary and six others said insisted the reference year should be 1990 saying their 2005 emissions were exceptionally low as a result of the collapse of their Communist-era industries.

"The reduction rate (in industrial greenhouse gas emissions) should be the same for all countries," said Lajos Olah, the deputy Hungarian Environment Minister.



REALITY CHECK: 'INDIA WON'T CUT CO₂ EMISSIONS AT THE COST OF DEVELOPMENT & POVERTY ALLEVIATION'

India News, 5 June 2008

<http://www.indiaenews.com/india/20080605/123212.htm>

From correspondents in Delhi, India

India will not reduce greenhouse gas emission at the cost of development and poverty alleviation, Minister of State for Environment and Forests Namo Narain Meena said Thursday.

'India is struggling to bring millions of people out of poverty. We cannot accept binding commitments to cut down greenhouse gas emission,' Meena said at a function to mark the World Environment Day.

Though India has no commitment to reduce the global warming gases under the Kyoto Protocol, in recent climate change conferences many developed countries have said India needs to reduce the greenhouse burden.

Meena, however, said climate change was becoming a crucial issue, and needed immediate action. He added that consumptive lifestyle was putting severe pressure on biological resources. 'Each of us has to become a saviour of the environment.'

'Each of us can help curb the adverse impact of climate change,' he said adding that afforestation will go a long way in reducing the carbon level in the atmosphere as 'forest is the natural sink for CO₂'.

S. Regupathy, who is also the minister of state for environment and forests, has said the World Environment Day provides an opportunity every year to reaffirm the commitments to work towards the sustainable conservation of environment.

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Tough climate goals cost \$45 trillion by 2050: IEA

<http://uk.reuters.com/article/environmentNews/idUKLO348323120080603?sp=true>

BONN (Reuters) - A goal to halve planet-warming carbon emissions by 2050, similar to an aim Japan is urging G8 leaders to agree next month, would add \$45 trillion to global energy bills, the International Energy Agency said on Tuesday.

"It's a lot of money," IEA analyst Peter Taylor told a meeting on the fringes of a climate conference in Germany, previewing the agency's Energy Technology Perspectives report to be published in Japan on Friday.

"It implies a completely different energy system," he said.

For example, electricity from renewable sources such as hydropower and the wind would reach close to half all power production, compared to 18 percent now, Taylor told Reuters.

Scientists say that the world must brake and reverse annual increases in greenhouse gas emissions to avoid catastrophic climate change including rising seas and more extreme weather.

Japan last week urged leaders of the Group of Eight rich nations to set a global target to halve greenhouse gases by 2050, when they meet at a G8 summit in Toyako, northern Japan, next month.

The IEA took 2005 as its base level in calculating the cost of halving emissions of the commonest manmade greenhouse gas carbon dioxide by 2050 -- a very ambitious goal which it hadn't previously estimated.

That would require an extra \$45 trillion investment in energy supply and demand through 2050 compared to a baseline of business as usual, said the energy adviser to 27 rich nations.

Recent high energy costs due to record oil prices have hurt motorists, farmers and fishermen, triggering protests in Europe.

The IEA identified 17 key technologies that would be required to achieve the 2050 target -- on the supply side these included carbon capture and storage, which involves burying carbon emissions from coal plants underground, and is currently untried on a commercial scale on grounds of expense.

On the energy demand side it required adoption of barely tested hydrogen fuel cell technologies in vehicles.

However, even if the 2050 target were reached, halving carbon emissions by mid-century could still result in long-term carbon dioxide concentrations in the air of about 450 parts per million, the report said.

That may exceed safe levels according to a definition by the EU and projections by the UN's panel of climate scientists, the

IPCC.

(Reporting by Gerard Wynn, Editing by Jon Boyle)



WORKERS UNION, BUSINESS LEADERS WARN CLIMATE POLICY MAY CRIPPLE AUSTRALIAN INDUSTRIES

Rudd told plan to tackle pollution may cripple business

<http://www.news.com.au/couriermail/story/0,23739,23811562-952,00.html>

AUSTRALIAN industries may be crippled if they are forced to meet ambitious targets for tackling climate change, the Rudd Government has been warned.

The Queensland Government, Australian Workers Union and big business across the nation fear forcing businesses to pay for the pollution they create would cause economic upheaval.

The State Government fired a warning to Canberra in Tuesday's budget, urging it not to set over-ambitious targets for cutting carbon emissions for fear of destabilising the economy.

It comes as the AWU is set to join forces with some of the country's biggest companies to warn an emissions trading scheme could send investment abroad and cost jobs.

AWU national secretary Paul Howes last week won the backing of his national executive to make emissions trading his union's main political priority for this year.

With about 90 per cent of AWU members in emissions-intensive industries - such as steel, aluminium, oil and gas - Mr Howes said a blanket carbon tax could send investment, and jobs, offshore.

"We could end up in a scenario where you have offshoring of facilities to countries where there are less environmental regulations than we have here already, with the problem just compounding itself," he said.

The widespread angst about the planned carbon tax is set to become a major challenge for the Rudd Government, which has committed to introducing an emissions trading scheme in 2010.

Households have already been warned that the scheme will drive up energy and fuel bills and the Rudd Government's top climate change adviser, Professor Ross Garnaut, has hinted that high-income earners will bear the brunt of the cost.

Prof Garnaut will today outline the economic and social problems the Government will face as it sets up an ETS, the biggest shake-up to the economy since the GST.

While the Queensland Government has committed to the national goal of reducing carbon emissions by 60 per cent by 2050, it expressed concern this week about locking in high interim goals.

"Setting ambitious targets, which the economy and industry may not realistically have the capacity to meet without significant economic dislocation and large transition costs in the short to medium term, would be a concern, particularly

from the perspective of ensuring ongoing energy security," the budget strategy warned.



CAMERON WARNS BROWN HIS OWN PARTY WILL DITCH HIM IF HE DOES NOT SCRAP GREEN TAX RISES

London Evening Standard, 4 June 2008

<http://www.thisislondon.co.uk/news/article-23490404-details/Cameron+warns+Brown+his+own+party+will+ditch+him+if+he+does+not+scrap+road+tax+rises/article.do>

Car tax hikes for millions of drivers became the latest ticking timebomb under Gordon Brown's leadership last night.

Despite mounting Labour unrest, the Prime Minister launched a stubborn defence of the plans and said they were an effective means of cutting carbon emissions.

Tory leader David Cameron warned Mr Brown he was likely to lose his job if he refused to scrap what he called 'deeply unpopular and unenvironmental' changes to vehicle excise duty.

Pointing to the growing rebellion among Labour MPs over the plans, Mr Cameron bluntly told Mr Brown during angry exchanges at Prime Ministers' Questions: 'If you don't get rid of it, they will probably get rid of you.'

Already 40 Labour MPs have signed a Commons motion and calling for a rethink - enough to wipe out the party's majority if they join forces with the Conservatives and Liberal Democrats.

What one backbencher has called Labour's 'poll tax on wheels' looks increasingly likely to turn into a re-run of the fiasco over the scrapping of the 10p tax rate.

MPs fear less well-off drivers - who are unable to afford to change their vehicles - will be worst hit.

Privately, senior ministers expect the Government to have to back down - particularly over a proposal to apply road tax increases retrospectively....

Mr Brown defended the changes as vital to tackling climate change.



LORNE GUNTER: AS GOES THE ECONOMY, SO GOES ENVIRONMENTALISM

National Post, 5 June 2008

<http://network.nationalpost.com/np/blogs/fullcomment/archive/2008/06/05/lorne-gunter-as-goes-the-economy-so-goes-environmentalism.aspx>

If truth is the first casualty of war, then environmental concern is the first casualty of economic recession.

Surveys of Canadian voters showed the environment to be their first or second concern in 1989-90. At that time, though, the economy was booming, pumping out tens of thousands of new jobs a month.

A year-and-a-half later, with the economy locked in the worst recession in 60 years, government finances were imploding, jobs disappearing and foreclosure wolves circling, the environment vanished from the top 10.

There will always be a small, hard-core voter base motivated by eco-issues. They're not worried about losing their jobs in an environmentalist-driven recession. They know that if they get laid off from the alternative music store, they can always go clerk at the Gaia Vegan Market or Wiccans 'R' Us. But for most people, the environment is a luxury good -- easily expendable when their livelihoods and homes are threatened.

As with most other bad, but fashionable left-wing political ideas, Europe glommed onto carbon taxes before North America. But now that the worldwide credit crunch and commodity-price boom have hit the European economy, voter hostility to carbon taxes is growing-- rapidly.

Any Canadian political leader thinking an environmental tax on gasoline, home heating, air travel, electricity and construction materials would be a good idea, while Canada's manufacturing and tourism sectors are bleeding profusely, might want to take a lesson from Gordon Brown.

Mr. Brown succeeded Tony Blair as British prime minister last year. At the time, he and his Labour party were reasonably popular, well ahead of the opposition Tories in all major opinion polls.

Surfing the crest of "green" sentiment, Mr. Brown's government introduced a raft of environmental taxes and charges to show how eco-friendly and Earth-empathetic it was.

The average British motorist now pays nearly \$2,000 in fuel taxes a year, the most in Europe. Tolls on roads and surcharges on vehicle purchases have risen, too, to discourage use of private automobiles and herd commuters onto public transportation.

Industrial energy costs have gone up as much as 20% (not counting recent rises in oil and natural gas), thanks to a new national carbon-trading scheme and green levies on factories and transportation. In all, British businesses now pay an estimated \$45-billion annually in green fees and taxes. Nearly half of that sum has been added since 2001, a period during which, not coincidentally, the country has witnessed the loss of 1 million manufacturing jobs.

The Brown government even flirted with a campaign called "Zero Carbon Britain." Designed to reduce Britain's carbon emissions to zero by 2027, the plan would have meant an end to most air travel and the elimination of gasoline and diesel cars. Meat would be forbidden from most meals and an "armada" of wind turbines would have blighted nearly every square kilometre of British coastline.

Carbon "credit cards" would have been issued to every Briton. Each time the bearer purchased carbon-based fuels, he would have had to swipe his carbon card. If he ran out of credits before the end of the year, he would have had to buy more from people not using all of theirs.

Not surprisingly, after Mr. Brown's Labour party lost two safe seats (think of Canada's Liberals in Montreal's Outremont riding) in byelections last month -- the first byelection

wins for the rival Tories in 26 years -- the zero-carbon plan was shelved within two days. The government's own report estimating that the conversion of Britain to renewable energy would cost every family an additional \$7,000 a year was a major issue during the campaign.

The situation is the same in other European countries:

-Denmark introduced a carbon tax in the mid-1990s and cut carbon emissions by 10%, but at the cost of one-quarter of that country's manufacturing jobs.

-France, also facing a sharp decline in jobs, is considering whether to jettison its commitment to the Kyoto accords or impose carbon tariffs on goods coming in from countries with no Kyoto carbon limits, such as China and India.

-Germany's Angela Merkel, who bills herself as the "Climate Chancellor," has recently been keeping a low profile, as last year's popular "green" initiatives have tightened the screw of this year's recession.

European politics are in turmoil because the environment is a good-times-only issue for voters, and good times are disappearing. Talk of a Canadian carbon tax should be tempered accordingly.

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Senate Democrats Block McConnell Gas Price Relief Amendment

'We should have an opportunity to ask senators where they stand. Do they believe, as I do, that gas prices are high enough already? Or do they believe, as the sponsors of this bill do, that gas prices should rise even higher? What are they afraid of?'

WASHINGTON, D.C. - *U.S. Senate Republican Leader Mitch McConnell attempted to offer an amendment to the Boxer Climate Tax bill on Thursday to ensure that the bill does not increase the price of gas at the pump. After Democrats blocked his attempt to offer the amendment, McConnell delivered the following remarks (as prepared) on the Senate floor:*

"I'm very disappointed the Majority has objected to allowing me to get this amendment pending.

"Earlier today the Assistant Majority Leader said we should be voting on amendments. I couldn't agree more.

"In a week in which gas prices have climbed to an all-time high, the Democrat Majority in the Senate is pushing legislation that would send them up another fifty-three cents a gallon.

"Since the Democrats took over Congress 17 months ago, gas prices have gone up \$1.66 a gallon.

"Since the beginning of this year alone, gas prices have gone up nearly a dollar (82 cents).

“Just today, AAA reported a new record high average gas price nationwide of \$3.99.

“All of this is hurting families, workers, truckers, farmers. It’s hurting everyone.

“Yet the Majority has nothing to say about it. It’s done nothing. Actually, worse than nothing.

“It’s repeatedly blocked efforts to increase production of American energy here at home — as recently as last month, when 48 Democrat senators voted against the *American Energy Production Act*.

“And now, at the beginning of the summer driving season, it offers a bill that would send up gas prices another 53 cents a gallon.

“The people in Kentucky are paying on average \$3.92 a gallon this week. They want to know what in the world is going on around here. I’m telling them to look at what’s going on here this week.

“I’m asking the same question they are: Why on earth are we considering a bill that would raise gas prices even higher than they already are?

“Our friends on the other side have no serious plan for lowering gas prices. Indeed, they seem intent on raising them even higher.

“Which is why I have tried offering this amendment, as a sort of ‘emergency brake’ on the Majority.

“This amendment says that if the Boxer Climate Tax Bill does, in fact, increase gas prices, its provisions shall be suspended. Just turn them off. Take a time out.

“Earlier this week, the Junior Senator from Connecticut said the Boxer Bill would reduce gas prices.

“His contention runs counter to every analysis of the bill I am aware of. But if he’s right, then he may want to support this amendment.

“If the Junior Senator from Connecticut is right, then my amendment would not have any effect on the cap-and-trade system outlined in this bill.

“If he’s wrong, my amendment will protect those who are suffering today from the high price of gas.

“We should have an opportunity to ask senators where they stand.

“Do they believe, as I do, that gas prices are high enough already? Or do they believe, as the sponsors of this bill do, that gas prices should rise even higher?

“What are they afraid of?

“Let’s see where people stand on what is by far the most important issue to the American people today.”

