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Waxman buys time with pledge to produce climate bill next week

By DARREN SAMUELSON, [ClimateWire](#)

Rep. Henry Waxman (D-Calif.) bought himself a little bit more time yesterday to produce a consensus on global warming and energy legislation amid a vocal uprising from within his party's moderate ranks to turn the Energy and Commerce Committee's attention over to health care.

Waxman pledged to produce a new version of draft legislation next week while again promising to pass the bill out of the full committee before the Memorial Day recess.

"We're moving well, making a lot of progress on these issues," Waxman said. "We're getting very, very close."

The chairman's optimistic tone came amid another busy day of closed-door talks with a cadre of moderate committee members who are seeking changes to the 648-page draft climate and energy bill.

Several lawmakers involved in those negotiations stayed away from specifics while still reporting progress. "I've seen numbers," said Rep. G.K. Butterfield (D-N.C.). "I can't confirm what they are. But it's movement in the right direction."

Even as he works behind the scenes to produce a bill, Waxman faces some growing sentiment from within to put global warming legislation on the backburner. On Wednesday, House Agriculture Chairman Collin Peterson (D-Minn.) threatened to turn his anger against an U.S. EPA biofuels proposal into an all-out farm state revolt against cap-and-trade legislation.

Others have followed.

"I think it's the wrong time for a cap and trade," said Rep. Artur Davis (D-Ala.), the co-chairman of the centrist House New Democrat Coalition. "I think health care is achievable. It's doable. And when I move around my district, and my state, and people ask me what is Congress going to do to fix health care. They don't frankly ask me what Congress is going to do to fix climate change."

Davis, who is running for governor in 2010, said he could count on about 40 to 50 House

Democrats who would vote against the climate proposal despite President Obama's request earlier this week to push ahead on the issue.

"It's not my role to stop anybody," Davis said. "I'm just saying there's a significant body of members who are not going to vote for a cap-and-trade regime. And you can dress it up in a lot of different ways, but if it's still a cap-and-trade regime at the end of the day, it's still going to be hard to sell to a lot of members."

Rep. Joe Barton (R-Texas), the ranking member of the Energy and Commerce Committee, said Waxman faces long odds to move the legislation through committee considering strident GOP opposition and about half of the 36 Democrats on the committee who he counts as neutral to the proposal.

"That's pretty hard to pull all that together in a week or so," Barton said. "There's growing pressure in the Democratic caucus to de-emphasize climate change and emphasize health care, where health care is a doable deal."

Barton predicted the climate and energy measure will end up on the shelf for a while. "I think the pressure is going to build on Chairman Waxman not to give up on climate change, but to set it aside and let it simmer awhile and go to health care," he said. "I honestly don't see him getting a bill that he'd want to get out of committee at the end of May."

Waxman shrugged off Davis' claim of having such significant support already established against the legislation. "That's pretty good that they'd make a decision without seeing it," he said.

And the chairman also said he had given no thought to the idea of abandoning the climate change bill. "I'm not thinking about that," Waxman said. "I'm thinking about accomplishing this work."

Waxman's persistence echoes the message that Obama sent earlier this week during a White House meeting that impressed some of the very moderate Democrats who are fighting for changes to the global warming proposal.

"He was very inspirational," said Rep. Baron Hill (D-Ind.). "He talked about how sometimes politics can be a rough business to be in, but we're all here for a reason. And this bill is one of those reasons, that we don't want to be looking back 20 years from now and kicking ourselves and saying we were this close in doing something really good for the environment."

Obama will attend a fundraiser in Hill's central Indiana district later this month, the lawmaker said.

Are the Dems getting closer?

Negotiations on the climate bill continue to focus on four key issues: the stringency and timetable of the cap-and-trade program's emission limits, the use of offsets to ease industrial compliance costs, allocation of valuable allowances and the structure of a nationwide renewable electricity standard.

Waxman met with a cross-section of regional Democratic interests yesterday to work through those areas, including Rep. Charles Gonzalez of Texas; Reps. Brian Baird and Jay Inslee of Washington; and Reps. Zach Space, Marcy Kaptur and Betty Sutton of Ohio.

"I'm working to try to get to a bill," Sutton said. "But the details matter, and the details are still in flux. ... There's a lot to be done certainly before I would make a decision to either support or oppose the bill."

"We're looking for some type of regional equity in whatever they propose," Kaptur added. "I just sensed it was a work in progress, and we want to be part of that progress."

Perhaps most important, sponsors of the legislation appear to be inching closer to a deal on the distribution of emission allowances that begins by giving away as much as 55 percent of the credits for free: 40 percent for the local distribution companies that service the electric utility industry, and 15 percent for heavy industries deemed especially vulnerable to international trade.

After about 10 to 15 years of the cap-and-trade program, the free credits would phase out in favor of an auction, said Rep. Mike Doyle (D-Pa.).

While the final details remain to be worked out, Waxman acknowledged that he is comfortable with distributing credits for free as a way to help industries transition into a low-carbon economy and during the period when an international climate agreement takes shape. "We're not using allocations just because people would like some revenue," Waxman said. "We're doing it for very legitimate purposes within the integrity of the bill."

And free allowances may be exactly what some fencesitters need. "I want to vote for a bill, but I'm not going to vote for a bill that's going to hurt my ratepayers extremely," Hill said.

As for free allocations, Hill said they could be a stepping stone to his support. "That would be a good thing, if that happens," he said.

Several lawmakers supportive of a larger auction also sound willing to appease their coal-state colleagues. "You can't just flip the switch," said Rep. Peter Welch (D-Vt.). "They've got legitimate concerns."

"There's an inevitability to that," Senate Foreign Relations Chairman John Kerry (D-Mass.) said of Congress including free credits in the climate legislation. "I would prefer to have a 100 percent

auction, but I'm also a realist and I understand that legislatively we're just not going to be able to do that. The key is to minimize the allowances in a way that's transparent, accountable and we go from there."

Lawmakers are also narrowing in on a 2020 emissions limit, another central piece of a final agreement. Obama's budget request suggested a 14 percent cut below 2005 levels by 2020, while Waxman had pressed for a 20 percent cut. Several of the Democratic moderates had initially suggested a 6 percent target for 2020, but Waxman balked at that proposal.

Butterfield said yesterday that he would be willing to accept Obama's targets. "Let's shoot for 14 percent," he said. "I can live with 14 percent."

Waxman sidestepped questions about the specifics of the negotiations. "I don't think it makes any sense to talk about any numbers or details," he said. "We're in discussions, so nothing is in cement."

Subcommittee or full committee?

It is still unclear exactly when and where Waxman intends to begin holding votes on the legislation.

"We've got to develop a draft of the bill before we go to markup," Waxman said.

But due to time constraints, Waxman again repeated his preference for taking the climate legislation straight to the full committee and skipping Rep. Ed Markey's (D-Mass.) Energy and Environment Subcommittee.

"I don't want to make announcements about it," Waxman said. "But my sense is, it'd be more productive to use our time that we'd spend in subcommittee -- reaching agreements, getting worked out in detail, getting the draft ready for the full committee. So if we have a subcommittee markup, it'd be very limited and may not be all that valuable, given the two weeks we're going to have after this one."

Waxman's suggestion to take the legislation up first in full committee has drawn complaints from a handful of Democrats, including Butterfield, Welch and Rep. Charles Melancon of Louisiana. Melancon, a member of the House Blue Dog Coalition, said his group has been urging Democratic leaders to use regular order on legislation dating back to the party's 2007 takeover of Congress.

"I hope they don't vacate that," Melancon said.

"My personal preference is to go through the subcommittee," Welch said. "It's tough, because of the challenges, but if you can address those in subcommittee, it might give us some long-term

benefit."

Butterfield raised the subcommittee issue yesterday afternoon with Waxman just off the House floor, in plain sight of about a dozen reporters who moments earlier had been interviewing both members.

A short time later, House Minority Whip Eric Cantor (R-Va.) brought up the subcommittee versus full committee question during a floor colloquy with House Majority Leader Steny Hoyer (D-Md.). Hoyer responded that Waxman had not yet made a decision.

Reporter Robin Bravender contributed.

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