

Alliance for ENERGY & ECONOMIC GROWTH

Energy to secure America's future.

June 4, 2008

TO THE MEMBERS OF THE UNITED STATES SENATE:

The Alliance for Energy and Economic Growth (AEEG), a broad-based coalition of more than 1,200 companies and organizations representing energy consumers and producers, does not support S. 3036, the “Lieberman-Warner Climate Security Act of 2008,” or the Boxer substitute to S. 3036, as currently drafted. AEEG adopted comprehensive climate change policy principles in March 2007, and we support the timely adoption of federal legislation consistent with those principles. AEEG therefore proposes that S. 3036 and the Boxer substitute be adjusted to address the following recommendations:

- Harmonize the imposition of greenhouse gas (GHG) emission-reduction targets and timetables with reasonably projected commercial availability of technologies necessary to achieve the targets;
- Provide an effective cost-containment mechanism to ensure that carbon prices are set at a reasonable level to prevent harm to the economy and allow markets to develop and adjust in the least disruptive manner;
- Provide the necessary policies for regulatory predictability, and the funding and investment to accelerate the development, demonstration and deployment of carbon capture and storage (CCS), advanced clean coal technologies (ACT), nuclear energy, renewable energy and efficiency technologies;
- Establish an off-budget fund for accelerated development of CCS, ACT and other technologies to speed their commercial availability both in the U.S and internationally;
- Implement policies to expand the domestic production of natural gas supplies;
- Ensure that increased costs to energy-intensive industries do not hinder their global competitiveness;
- Ensure appropriate participation by developing nations including China and India, in reducing or avoiding global GHG emissions through international venues;
- Provide a full and robust range of domestic and international offsets; and
- Provide certainty through a consistent national policy.

As floor debate begins on S. 3036, AEEG hopes legislators will amend S. 3036 to address our recommendations. Without these policies in place, S. 3036 could jeopardize energy supplies and harm the nation's economic growth.

Sincerely,

Alliance for Energy & Economic Growth