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LOOKING AHEAD: What the New Administration and Congress Mean for Agriculture and Climate Legislation

Introduction

The incoming President and new balance of power in Congress will alter the dynamics of the environment and energy policy coming out of Washington. President Barack Obama has made it clear that climate change and energy policy will be important issues throughout his presidency. His presidential appointments reflect a strong commitment to following the science behind these issues, rather than political pressure. New committee chairs in the House will bring a decidedly more liberal bent to environmental policy debates, while the Senate looks as if it is aligned to support a more moderate agenda.

Key changes of note are the ascent of Rep. Henry Waxman, earlier a proponent of regulation of agricultural greenhouse gas emissions as well as recent Court decisions that allow the Environmental Protection Agency to regulate greenhouse gas emissions nationally. For many in agriculture, this has raised the stakes: Will agriculture be a regulated entity, or will cap and trade legislation pass that instead gives agriculture the ability to tap new markets that pay producers for specific practices such as conservation tillage and methane capture?

Executive Branch

President Obama has made it clear in recent speeches that environmental consciousness will be an integral part of his upcoming estimated \$800 billion stimulus package, appointments, and throughout his presidency. Obama has stated that increasing the energy efficiency of federal buildings will be a major part of the stimulus package and hopes it can also lay the groundwork for doubling the nation's renewable energy production. The appointment of Steven Chu, formerly head of the Lawrence Berkeley National Laboratory, as Energy Secretary signals Obama's commitment to developing innovative renewable and alternative energy sources developed by scientists rather than politicians. Under Chu's direction the Berkeley Laboratory

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focused on non-food product bio-fuels and solar energy research. Other notable appointments with strong climatology backgrounds include John Holdren as head of the White House Office of Science and Technology Policy and Jane Lubchenco as head of the National Oceanic and Atmospheric Administration.

With the appointments of Lawrence Summers as head of the White House Economic Council and Carol Browner as the Coordinator of Energy and Climate Policy, Obama has left the door open for debate on climate change policy and its economic ramifications within his administration. Summers has been a strong proponent of a carbon tax while Browner is in favor of tight regulations on carbon emissions and a cap-and-trade system. Summers has made some concessions in considering a cap-and-trade system if it included a clause that would dissolve the system in the event it drove the price of carbon credits high enough to adversely affect the overall economy. Other prominent public figures that have expressed a need for a carbon tax as opposed to a cap-and-trade system include former Vice President, Al Gore, and ExxonMobil CEO, Rex Tillerson. A carbon tax would be economy wide, that is, raise the cost of energy to all including agriculture. It would not allow agriculture to tap new climate markets. President Obama has stated he favors a cap-and-trade system aimed at reducing the United States greenhouse gas emissions 80% by 2050.

Tom Vilsack has been appointed head of the United States Department of Agriculture (USDA) which gives the sector the leadership and name recognition needed to ensure agriculture is included in the development of a cap-and-trade system. Vilsack, the former governor of Iowa, has historically been a strong advocate for ethanol-based fuels and will continue to support the expansion of bio-fuel use in the United States. He has also expressed strong support for development of ag-based carbon markets that reduce greenhouse gas emissions. Along with former Democratic Senator Ken Salazar from Colorado, who has been appointed Interior Secretary, Vilsack hopes to revive the rural economy that goes along with Obama's plan for green job expansion. Vilsack and Salazar have left on the table domestic energy production methods, specifically corn based ethanol and offshore drilling, that have been met with mixed responses by environmental groups, but would be supported by a moderate Senate to reduce the United States' short term demand for foreign oil.

The banner features a scenic landscape of rolling green hills under a blue sky with scattered clouds. In the foreground, there are green fields and some trees. In the background, there are more hills and a small town or village. The text is overlaid on the top left and bottom right of the image.

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Legislative Branch

The most significant changes in Congress are happening in the House, where Democrats have replaced John Dingell [MI] with Henry Waxman [CA] as Chair of the Energy and Commerce Committee. The appointment of Waxman demonstrates a shift to the left on environment and energy policy in the House and away from Dingell's staunch support of the automotive industry. Ed Markey's [MA] rise to Energy and Environment Subcommittee Chair and his continued leadership of the Select Committee for Energy Independence and Global Warming has given him unprecedented influence in what environmental measures succeed in the 111th Congress. Representatives Markey and Waxman are both strong supporters of progressive efforts to drastically reduce greenhouse gas emissions and reduce the United States' dependence of foreign oil through increased energy efficiency and promoting alternative energy sources. Both Representatives Markey and Waxman share widespread support from environmentalists as well as skepticism from industry. These Representatives are expected to work well with President Obama's appointment of Carol Browner as Coordinator of Energy and Climate Policy.

While Democrats significantly increased their margin of power in the Senate, a similar shift in liberal environmental policy, as in the House, will probably not be reflected. There is still a lingering debate among the Senate Democrats on how best to initiate a carbon emission cap-and-trade system. One of the most important aspects that remain to be finalized is ensuring that all states and industries are equally affected, for good and for bad, by the onset of such a system. Notably, Senator Bingaman [NM], Chair of the Senate Committee on Energy and Natural Resources, and Senator Dorgan [ND], Chair of the Subcommittee on Energy, have expressed concern that states heavy in industry and energy production could be unfairly burdened, if certain measures are not put into place. While most Senate Democrats support a cap-and-trade system, the Senate will more than likely support legislation that is significantly more pro-industry than the House.

Global Context

Many congressional leaders see the adoption of a cap-and-trade system vital to the United States' integration into the international climate change arena. The European Union is currently operating a cap-and-trade system in their efforts to meet their Kyoto Protocol

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reduction goals. Speaker of the House, Nancy Pelosi [CA], says she is aware of the timetable leading up to the 2009 climate change conference in Copenhagen, but would not rush a House vote on cap-and-trade just to have something in place within the United States for the conference.

In a distinct change in course from French President Nicolas Sarkozy, the new head of the rotating European Union Presidency is the Czech Republic's President Vaclav Klaus, a climate change denier. While the fractious Czech government has publically stated they would limit Klaus' ability to guide the EU climate agenda, it will inevitably ignite debate on the still developing EU cap-and-trade system.

Conclusions

- The United States executive and legislative branches are both conscious of the need for climate change and energy reform.
- President Obama has appointed an aggressive team of environmentally focused leaders that support alternative energy exploration and that will lean towards the setup of a cap-and-trade system.
- The Senate Democrats are still working to come to a consensus on how best to implement a cap-and-trade system that will provide equity throughout industry and states.
- New leadership in key House committees will bring about more progressive environment and energy policies than in the Senate. The House is likely to support a cap-and-trade system more in line with Obama's administration than the Senate.
- The environmental services, alternative fuel, and agriculture industries will more than likely see a significant increase in interest for and development of their goods and services as Washington debates these policy issues.



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