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# Barack Obama's climate change bill is weakened, but still intact

The ambitious agenda introduced to Congress six weeks ago has been compromised by hold-outs and it now seems clear that the US will come nowhere close to European targets

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guardian.co.uk, Thursday 14 May 2009 11.52 BST

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**Barack Obama's** plans to move America towards a cleaner energy economy have survived – but not unscathed.

Democratic leaders in Congress said late yesterday they were confident of getting enough support from about a dozen Democratic hold-outs – conservatives, and members from oil and coal producing states – to move forward on a climate change bill.

But the ambitious global warming and energy agenda introduced to Congress six weeks ago, has been weakened in a number of key areas by the compromises with the Democratic hold-outs.

Further details of the draft are expected today. But it now seems clear that America will come nowhere close to European targets for cutting carbon emissions – a shortfall that could provoke a backlash in the international community looking to Obama to provide leadership on climate change. Significant US commitment to greenhouse gas cuts is seen as essential to sealing a global deal to fight global warming at a UN summit in Copenhagen in December.

The bill, which began to take shape yesterday, bears the imprint of a fierce PR offensive by the oil and gas industry against Obama's green agenda. The lobbying and advertisement campaign is set to intensify next week as Congress begins the formal drafting process.

In its current form, the bill now calls for a 17% reduction in greenhouse gas emissions from 2005 levels by 2020.

That falls below the original target of 20%.

However, it is still higher than the 14% reduction supported by Obama and the 6% floated by Congress last year.

The new version of the bill also lowers the bar for electricity companies to generate a portion of their power from renewable sources, such as wind or solar. The first version had set a standard of 25% by 2025.

That has now been watered down to 15% by 2020, and as low as 12% for some parts of the country that have not developed renewable energy.

Such compromises have helped Henry Waxman, the California Democrat steering the draft through compromise, rope in wavering Democrats. "This moves the ball forward significantly," said John Dingell, a Michigan Democrat who had been balking at the bill.

Waxman said some environmental groups and the wind power industry had gone too far

in trying to line up the Democrats behind the bill.

But Steve Cochran, who heads the climate programme at the Environmental Defence Fund, said: "What we are looking at here is a damn good start."

He added: "What they have done with these interests and these particular regions on this committee is going to be very hard to beat."

The other compromises – while less directly affecting America's efforts to reduce its global warming pollution – carry steep economic consequences.

Obama had originally envisaged auctioning off pollution permits, and his budget forecast revenues of \$79 billion by 2012.

Under the deals revealed on Wednesday, 35% of all pollution permits will be given free to power companies. Another 15% will be given to heavy manufacturing - cement, pulp and paper, and steel industries – which use a lot of energy and face international competition. A further 3% will go to the auto industry to help the development of electric vehicles.

Democratic members of Congress for Texas, Utah, and Arkansas are also pressing for a 5% allowance for oil refineries. "It would be something I could at least say we got," Gene Green, from Texas, told reporters.

However, Waxman said the energy committee would begin re-writing the bill on Monday, and that he still hoped for a vote later this summer - ahead of the Copenhagen conference.

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