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Statement of Lisa P. Jackson
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Hearing on American Clean Energy and Security Act of 2009
Committee on Energy and Commerce
U.S. House of Representatives
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Chairman Waxman, Chairman-Emeritus Dingell, Ranking Minority Member Barton, and members of the Committee, thank you for inviting me to testify about the draft American Clean Energy and Security Act. Let me begin by commending this Committee for embarking on the serious, difficult, and essential work of crafting comprehensive, detailed energy legislation and moving it through an open, careful process in which representatives hold hearings, make amendments, and cast votes. EPA is grateful for your work.

When President Obama was inaugurated ninety-two days ago, the United States found itself in the worst economic crisis since the Great Depression. So the President worked with Congress to craft the American Recovery and Reinvestment Act, which he signed into law sixty-four days ago. That law is now creating good jobs for Americans. Thanks to the Act, EPA is putting Americans to work overhauling clean-water systems, restoring and redeveloping polluted properties, installing clean-air equipment on diesel engines, and cleaning up leaking underground fuel tanks.

The American Recovery and Reinvestment Act also injected an essential shot of adrenaline into the American clean energy sector. Economic recovery would not have been possible without that immediate relief. But President Obama has leveled with the American people: Lasting economic recovery will come only when the federal government looks beyond the quick fix and invests in building the advanced energy industries that will help restore America's economic health over the long term.

So President Obama has called on Congress to pass forward-looking energy legislation.

That legislation should create, here in America, millions of the clean-energy jobs that cannot be shipped overseas. It should catapult American innovators past the foreign competitors who, due to aggressive investments by their governments, now enjoy a head start in the advanced energy technologies that represent the new Internet revolution, the new biotech wave. It should reduce our dependence on oil and strengthen America's energy security. And it should start, in a real and tangible way, to tackle greenhouse-gas pollution, which threatens to leave to our children and grandchildren a diminished, less prosperous, less secure world.

Twenty-two days ago, Chairmen Waxman and Markey released draft legislation that strives to accomplish those goals.

The American Clean Energy and Security Act would introduce a clean energy requirement for American electric utilities and new energy efficiency programs for American buildings. Those initiatives aim to create good American jobs that cannot be shipped overseas.

The legislation would launch programs to promote electric vehicles and deploy technologies for capturing, pipelining, and geologically storing carbon dioxide produced at coal-fueled power plants. Those incentives aim to help American companies make up for lost time in the advanced energy industries that will be to the 2010s what Internet software was to the 1990s.

The legislation would institute new low-carbon requirements for vehicles and fuels, and programs to help reduce vehicle-miles traveled with increased transportation options and help for communities that want to plan for sustainable growth. Those proposals aim to reduce America's dependence on oil and cut back on the hundreds of billions of dollars that Americans send overseas every year.

And the legislation would put in place a declining cap on greenhouse-gas pollution. That market-based system aims to protect our children and grandchildren from severe environmental and economic harm, and great threats to national-security while further invigorating advanced, American energy industries.

The American Clean Energy and Security Act draws on the thoughtful legislation that Chairman-Emeritus Dingell and Congressman Boucher drafted last October and is a serious effort at constructing comprehensive energy and climate legislation. We look forward to working with Congress as this bill moves forward to ensure that it meets the President's objectives in the areas of an efficient and comprehensive approach that creates jobs, leverages our tremendous capacity for innovation, reduces our dependence on oil, and prevents the worst consequences of climate change.

I would like to note that the Waxman-Markey discussion draft tracks many of the recommendations put forward by the U.S. Climate Action Partnership, a coalition that includes American manufacturers such as Alcoa, John Deere, Caterpillar, Dow, Ford, General Motors, and General Electric. Those employers of American workers recognize, as they declare at the outset of their *Blueprint for Legislative Action*, that:

“The United States faces an urgent need to transform our nation's economy, make the country more energy secure, and take meaningful action to slow, stop, and reverse [greenhouse-gas] emissions to address climate change.”

I believe that the leadership of this Committee is stepping up to provide the kind of “new vision and policy direction” that those companies talk about.

Now, the “no, we can't” crowd will spin out doomsday scenarios about runaway costs. But EPA's available economic modeling indicates that the investment Americans would make to implement the cap-and-trade program of the American Clean Energy and Security Act would be modest compared to the benefits that science and plain common sense tell us a comprehensive energy and climate policy will deliver.

I ask the members of this Committee to recall the Acid Rain Trading Program, drafted by this Committee and signed by a Republican President in 1990. Beltway corporate lobbyists insisted that the law would cause “death for businesses across the country.” But as the members of this Committee who worked hard on that legislation know well, it ended up delivering annual health and welfare benefits estimated to be over 120 billion dollars at an annual cost of only 3 billion dollars. Our economy grew by 64 percent even as the program cut acid rain pollution by more than 50 percent. And past auto-emissions standards sparked key technological innovations that made cars more appealing to consumers here and abroad.

Achieving energy independence and reducing carbon emissions are not easy challenges. But this Committee has dealt with difficult challenges before. When Chairman Dingell and Chairman Waxman joined together with other Members of the Committee to pass the 1990 Clean Air Act Amendments, they were reported out of this Committee by a 42-to-1 vote. That bill dealt with controversial issues – not just acid rain, but also smog, hazardous air pollutants, and the threat to the ozone layer. But you found consensus, and your legislation has ended up cutting pollution at a fraction of the cost that was predicted at the time.

There may be more than one dissenting vote this time, but that does not mean that the Committee’s history cannot be repeated this year. We want to work with you in finding consensus in the coming weeks, so that we can reduce our dependence on oil, create millions of new jobs in innovative energy technologies, and significantly reduce greenhouse-gas emissions.

Thank you. I look forward to the answering the members’ questions.