

June 5, 2008

The Honorable Gordon Smith  
United States Senate  
404 Russell Senate Office Building  
Washington, DC 20510

Via facsimile: 202-228-3997

The Honorable Ron Wyden  
United States Senate  
223 Dirksen Senate Office Building  
Washington, DC 20510

Via facsimile: 202-228-2717

Dear Senator Smith and Senator Wyden:

I am writing to urge you to support amendment SA 4822 to the Climate Security Act of 2008 recently introduced by Rhode Island U.S. Senator Sheldon Whitehouse (“the Whitehouse amendment”). The Whitehouse amendment will shield low-income Americans from the impact of higher energy prices while furthering the vital goal of curbing carbon emissions.

The Climate Security Act, also known as Lieberman-Warner, is an important step forward in the fight against global warming. It encourages critically needed conservation and clean energy development by capping carbon emissions.

Increasing the cost of carbon emissions could intensify the hardships faced by vulnerable populations, absent adequate protections. Low-income Oregonians typically lack the means to invest in significant energy conservation measures and energy efficient and cleaner technologies. Higher home energy, gasoline, food, and other costs will take a bigger bite out of their incomes than it will from higher-income consumers.

Contrary to the claims of some opponents of capping carbon emissions, the Climate Security Act does not necessarily have to hurt low-income families. An effectively designed measure, such as that proposed by Senator Whitehouse, can fully protect low-income families from additional hardship.

The Whitehouse amendment improves Lieberman-Warner by setting aside 14 percent of emission allowance value to safeguard low-income households. According to the Center on Budget and Policy Priorities, that amount is sufficient to protect low-income populations from the effects of carbon emission controls.

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Importantly, the Whitehouse amendment relies on existing mechanisms for targeting assistance to low-income groups. It proposes expanding the highly effective Earned Income Tax Credit (EITC) and using Electronic Benefit Transfer cards to reach households outside the scope of the EITC.

Why is the Whitehouse amendment so necessary? The current version of Lieberman-Warner directs support to low-income families, but the amount of support is insufficient. It likely will provide less than half the share of allowance value that is necessary.

Moreover, the current bill relies heavily upon utility companies to provide rebates to low-income consumers. Unlike the mechanisms in the Whitehouse amendment, this approach fails to take into account that low-income renters often pay their heating bills as part of their rent, that utility companies lack sufficient information about consumers' incomes to know where to target assistance, and that the impact of carbon controls reaches beyond higher utility costs. Higher carbon costs will also affect the costs of transportation, food, and other basic consumer items.

While Lieberman-Warner makes important investments in energy efficiency and public transportation which should reduce the impact of energy price increases on consumers, these investments alone will not fully protect low-income families. That is why the Whitehouse Amendment is so crucial and needs your support.

The Whitehouse amendment offers more efficient and effective protection for low-income families, while moving forward the fight against global warming. I respectfully urge you to support it.

Sincerely,

A handwritten signature in blue ink, appearing to read "Charles Sheketoff".

Charles Sheketoff  
Executive Director