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GLOBAL CLIMATE CHANGE

Climate change is a complex and long-term public policy challenge that must be addressed with realistic long-term strategies that recognize the vital role energy plays in maintaining jobs, our country's freedom, economic strength and way of life. U.S. climate change policy must adhere to strong environmental goals while acknowledging that the science of climate change is still evolving. Any policy must be based on cost-effective approaches that enhance U.S. competitiveness in the global marketplace. There will be job losses with no environmental gains when the U.S. closes a smokestack only to have new smokestacks built in China or India. Global climate policy must guarantee global carbon reductions by all industrialized nations. It is global warming not U.S. warming.

CLIMATE CHANGE LEGISLATION

Representatives Henry Waxman (D-CA), chair of the Energy and Commerce Committee and Ed Markey (D-MA), chair of the House Subcommittee on Energy and Environment and chair of the Select Committee on Energy Independence and Global Warming, introduced draft legislation known as the American Clean Energy and Security Act of 2009 (ACES Act). Among the many provisions, the draft bill would establish a cap-and-trade regime whereby the government would distribute emission allowances to businesses creating a market-based system for reducing greenhouse gas emissions (GHG). The aim is to reduce CO₂ emissions 20 percent from 2005 levels by 2020.

One key issue that the draft does not address is how to allocate the tradable emission allowances. This issue will be debated in Committee.

Climate change is a global policy matter, and it needs the support of all countries. Increasing energy costs in this country while lowering them in China is not in our national interest. International negotiations are underway to craft a broader climate treaty to replace the Kyoto Protocol and expected to conclude later this year in Denmark.

PMAA believes that climate change policies should:

- Be scientifically justified, cost-effective and appropriately prioritized;
- Not artificially raise the cost of energy by using "transferable credits" or cap-and-trade programs that may result in inequitable solutions;
- Encourage innovative technologies as voluntary options for addressing climate change issues;
- Acknowledge that the current U.S. GHG emissions inventory meets our policy needs and that further government action to monitor GHG reporting should be voluntary and recognize emission reductions already achieved by industry;
- Recognize that developing nations share in the responsibility to limit green house gas emissions.

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