

have done quite a bit. I will also speak about the bill before us and the many concerns I have about its effectiveness, or lack thereof.

Right now, I want to speak on the impact this bill will have on the American economy. Like many Senators, I believe global climate change is a great challenge that our Nation should address. I joined Senator BINGAMAN in expressing that sentiment in a bipartisan Senate resolution 3 years ago. That does not mean anybody has produced a bill or legislation that matched up, in my opinion, with the concerns. The way we are doing it in this bill is one way. It has never worked any place it has been tried. I do not know why it should be expected to work in America.

I have great respect for the Senators who have drafted cap-and-trade legislation, but I remain deeply concerned about the steep costs and dire consequences this bill will have on our Nation's economy. I am troubled it will have very little, if any, environmental benefit.

To those who are continuing to say this is an absolute environmental necessity, I hope they will try to gather from the experts who have looked at it just how much environmental benefit we will get from this bill.

The EPA, the Environmental Protection Agency, has concluded this bill would reduce global greenhouse gas by just over 1 percent by 2050. According to the IPCC's own benchmark, such a reduction would reduce average temperatures by one-tenth of 1 degree Celsius in 2050. These rates of reduction are far below the levels needed to mitigate the most serious effects of global climate change.

Now, again, Mr. President, fellow Senators, I am not here just giving a speech. I am trying to give you facts. If facts are the things that come from studies by experts, we have facts on this bill. I repeat, the rates of reduction are far below the levels needed to mitigate the most serious effects of global climate change.

I am troubled by the various studies on this bill. Everyone has concluded it will increase energy prices and decrease economic growth. Especially in a time of record energy prices and economic slowdown, our Nation simply cannot afford this bill. That is not just speculation or clamor. It is a true probability that we cannot afford it.

While these studies confirm that the bill will have a negative impact on our economy, they also reveal significant uncertainty as to what that impact will be. According to CRA International, the only group that included the low carbon fuel standard in its study, motor fuel prices could increase by more than 140 percent by 2015. The EIA projects that the bill could reduce industrial activity by up to 7.4 percent by 2030. The Heritage Foundation estimates that 600,000 jobs could be lost by 2026.

Another cause for concern on the economic side is the estimate of the

impact on gross domestic product. While all studies project a negative impact on GDP, estimates vary from a low of \$444 billion, I say to my friend, the occupant of the chair, to a high of \$4.8 trillion. That range of \$4.5 trillion is as massive as it is inconclusive. It is equivalent to \$15,000 for every American. A careful review of these studies should shake everyone inside of this Chamber.

We must realize that cap and trade is neither our best option nor the only option for reducing greenhouse gas emissions. In fact, the Congressional Budget Office Director recently testified that a rigid cap-and-trade program is up to five times less efficient than a carbon tax.

The experience of the European Union, which instituted an emissions trading scheme in 2005, should be highly instructive in this debate.

The EU's emissions have continued to rise under cap and trade, by about 1 percent per year. While the EU's system has failed to reduce emissions, it is having an adverse economic impact with energy prices rising and other carbon intensive businesses fleeing to the developing world.

Europe's difficulties are not the only example of the shortcomings of cap and trade. Last December, it caught my attention when, during an interview on the Charlie Rose Show, former President Clinton lamented the fate of the Kyoto Protocol, saying: 170 countries signed that treaty and only 6—6 of 170—reduced their greenhouse gases to the 1990 level, and only 6 will do so by 2012 at the deadline.

Our best projections, combined with the precedent of failing cap and trade regimes already in place, show that America should take a different path. We have been told that this bill is a market-based approach, but then we read a section that says, "an emission allowance shall not be a property right" and, "nothing in this Act or any other provision of law shall limit the authority of the Administrator to terminate or limit an emission allowance."

Let me explain. These are allowances that are being paid for, in most cases, and the CBO treats them as revenues and outlays. And, the proponents of the bill expect these allowances to be traded like stock and other securities. However, the bill fails to even provide a property right for allowances and permits the EPA Administrator to take allowances or limit them at any time, and in any way. This is the very opposite of a market-based approach, and I will have an amendment in the coming days to remedy this problem.

Furthermore, this bill allows nonemitters to hold possession and trade these allowances. Presumably they will enter into contracts, derivatives, swaps, and other complicated arrangements that may undermine the oversight, transparency, and integrity of the market. This is precisely one of the factors that led us to today's mort-

gage crisis, and maybe this bill creates that blueprint for carbon.

My concerns with this bill are no different today than those that were shared by the full Senate in 1997, when we passed a resolution expressing our opposition to the Kyoto Protocol if brought to the Senate for ratification. Our economy expanded by 5 percent in the quarter before that vote. In the midst of robust growth, the Senate overwhelmingly rejected the idea of a treaty that did not include developing nations or "could result in serious harm to the United States economy."

With many factors now limiting our economy, and with China's emissions today much greater than in 1997, our resolve should be stronger. High energy prices, a housing crisis, and a credit crunch limited our growth to 0.9 percent last quarter. Clearly, we have plenty of challenges to overcome. Our dependence on foreign energy is great, our trade deficit is high, our national debt continues to rise, and our dollar is weak.

As we debate this Boxer bill, we should ask ourselves two questions: What will it achieve, and at what cost? I believe the answer to the first question is very little—even by 2050, this bill will not provide meaningful global environmental benefit. The answer to the second question, however, is too much—this bill will disrupt our economy, add to consumers' pain at the pump, and weaken our Nation's ability to compete in the global marketplace.

Mr. President, I yield the floor.

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

#### CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2009—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, there will now be a period of 15 minutes of debate equally divided with respect to the conference report to accompany S. Con. Res. 70.

Who yields time?

The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, as we begin the debate, first I thank my colleague, the ranking member of the Budget Committee, Senator GREGG, for his continuing graciousness and his professionalism as we have sought to find a way to conclude our work on the budget for this year. I also thank his staff. We appreciate very much the relationship we have and the very constructive dialog between us as we have searched to find a way to bring this debate to a close.

With that, I wish to describe the conference agreement in general terms. This agreement, we believe, will strengthen the economy and create jobs. It will do that by investing in energy, in education, in infrastructure. It