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Opening Statement of Rep. Henry A. Waxman
Chairman, Committee on Energy and Commerce
Consumer Protection Policies in Climate Legislation
Subcommittee on Energy and Environment
March 12, 2009

Today's hearing gives us the opportunity to focus on how climate change policy will affect consumers, particularly low income consumers.

Any discussion on this topic must begin with the recognition that our current policies are failing.

The last seven years have rendered a judgment on the energy policies of the past. They are not consumer friendly. The average American household spent almost $2,800 more in 2008 for basic energy needs than they spent in 2001.

Average household expenditures for gasoline, electricity, and home heating increased by 81% between 2001 and 2008 — almost four times as fast as the overall inflation rate over this same time period (21%).

And while energy prices climbed, our dependence on oil grew. We send more and more of our wealth overseas instead of keeping it here at home. And with no plan to address global warming, our children's future is in jeopardy.

Low income consumers take a drubbing in the current system. Not only do they bear unaffordable energy costs, families with low incomes also find it harder to cope with the public health consequences of unchecked climate change.

The poor are often the hardest hit by extreme weather events that will increase if we fail to reduce global warming pollution. The pictures coming out of New Orleans after Hurricane Katrina showed an unforgettable contrast in the abilities of the rich and poor to cope with such catastrophes.

This Committee will have an opportunity to put the country back on track. If we can enact a comprehensive energy and climate bill, we can help low income families while helping all American families.

They will benefit from the increase in domestic jobs that will accompany a clean energy future.

They will benefit from reducing our dependence on foreign oil, which in turn will reduce the need for our military to engage in unstable parts of the world.

We can turn the page to brighter future, but we must design our legislation carefully.

Our witnesses today will tell us that a poorly designed program to reduce global warming pollution could impose significant costs on low income consumers.

That means we have to be smart when we design the program. And that is the purpose of today's hearing.

Today's witnesses will discuss various ways to design a program that assists consumers, especially low income consumers, with the transition to a clean energy future and reduced global warming pollution.

They will tell us about energy efficiency programs that can reduce consumers' energy bills, even if the rates increase, and reduce the overall cost of the program to the country as a whole. By making the country more efficient, these programs make our economy more competitive.

The Center on Budget Policy and Priority suggests that allowances be auctioned and that some of the proceeds be sent to low and perhaps middle income consumers to offset increased costs of reducing global warming pollution.

Another suggestion is to provide allowances — for the benefit of consumers — to local companies that distribute electricity and natural gas. We will hear from a consumer advocate and an electricity company about how that approach would work.

I look forward to exploring these issues further with today's witnesses.