

WASHINGTON - Congressman Spencer Bachus (AL-6) announced that he will vote against the Waxman-Markey climate bill being rushed to the House floor.

Congressman Bachus said, "This punitive 'cap and tax' plan is a threat to families in Alabama and our state's economy. It will lead to higher gas and electricity prices at a time when families are struggling just to make ends meet. The bias against coal and our home-grown hydropower will hit Alabama especially hard, making our manufacturers less competitive and causing us to lose jobs to other states and countries like China, Korea, and Mexico. It's bad for Alabama, bad for the U.S. economy, and sadly doesn't even begin solve the serious energy challenges that face our nation."

The Waxman-Markey bill supported by the Democratic leadership creates a regulatory tax scheme for carbon emissions and establishes a renewable energy mandate that will force Alabama to buy expensive "green power" from competing states. Congressman Bachus has joined every member of Alabama's House delegation in warning that the provisions will cause large spikes in energy prices. One study has projected that the typical family in Alabama could eventually see electricity bills rise by more than \$1500 a year.

As Ranking Member on the Financial Services Committee, Bachus has pressed for investigative hearings on the planned creation of an exotic trillion-dollar trading market for energy derivatives.

"It sounds altogether too familiar - a brand new, hard to price, vast convoluted market of carbon derivatives. And if these warnings are correct, one that could certainly pose a systemic risk in the financial markets," Bachus said, noting that former Clinton Administration official Robert Shapiro has said the system will be 'securitized, derivatized, and speculated by Wall Street like the mortgage-backed securities market.'

Bachus added, "This bill provides for tree-planting projects to be used as carbon offsets. If there is a tree-planting project in Brazil, worthy as that may be, should American taxpayers pay for it? Such projects, particularly in remote or developing countries, are notoriously difficult to confirm and monitor. The legal description of the land could be changed and offsets securitized many times. We have found that even in the U.S., with an established rule of law and a well-established regulatory system, the subprime mortgage market was subject to countless

different schemes and manipulation."

Bachus said he is disturbed by the repeated pattern of the House leadership in rushing expensive legislation like cap and tax, the so-called stimulus package, and appropriation bills to the floor for votes without adequate committee review or public debate.

"It's irresponsible to fast-track legislation that will put taxpayers on the hook for literally trillions of dollars. Apparently, they're hoping to pass it before people fully understand the consequences and say NO," Bachus concluded.

[Attached](#) is a "Dear Colleague" letter that Congressman Bachus addressed to Members of Congress in his leadership role as Ranking Member on the Financial Services Committee.

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