



Jim Himes: New Energy for the American Dream

Jim Himes believes that now is the time to resolve our fuel crisis and invest in a clean energy future.

Record gas prices are on everyone's mind these days – and rightly so. With crude oil above \$140 per barrel, families with one car in our district will pay about \$1,400 more for gas over the coming year than they did in 2002. For families already struggling with higher food costs, diminished property values, and a bearish stock market, that adds a tremendous strain. The money has to come from somewhere – reducing investment in a child's college fund, canceling a well-earned vacation, or even cutting back on essential items like food and medicine.

This crisis shouldn't have taken us by surprise. For decades, our leadership has seen the energy shortage looming but failed to take action — failed to reduce our dependence on foreign oil, failed to promote innovation towards energy alternatives, and failed to increase efficiency so that we consume less energy. Jim Himes is running for Congress to bring new energy to these challenges. Jim will work to provide immediate relief for struggling families, will put the market to work to meet aggressive new fuel-efficiency standards for cars and reduce greenhouse gas emissions, and will encourage green building practices that reduce energy consumption. In Congress, Jim will:

Bring relief to struggling families today.

1. Require oil companies to drill on the productive acres that they have already leased, on land and offshore, increasing oil supply in the market and reducing prices
2. Prevent speculators from driving up the cost of oil by fully closing the "Enron Loophole" and restoring appropriate oversight of our energy market

Ensure a sustainable energy future for tomorrow.

3. Adopt Green Building practices throughout the federal government, and provide government-backed guarantees to help families and businesses invest in green retrofits that will dramatically reduce their energy bills
4. Invest in solar, wind, and other energy alternatives, and work to ensure that these technologies make it from the laboratory to the marketplace
5. Raise fuel efficiency standards on cars so that automakers will compete to move the most affordable, most fuel-efficient vehicles to market as quickly as possible, and provide tax credits to help Connecticut families buy them
6. Establish a cap-and-trade system for greenhouse gas emissions, modeled on the successful Acid Rain Program of the 1990s, to combat global warming

Bringing Immediate Relief to Struggling Families

1. Expand Domestic Oil Supplies Using Existing Leases

For years, oil and gas companies have been stockpiling permits to drill for new energy supplies, but not using them. In fact, of the 47.5 million acres of on-shore federal lands currently leased to these companies, only about 13 million acres are actually in production.

Why? Because as long as demand for oil remains high, Big Oil has an interest in keeping the supply low to maximize its record profits. To stop these companies from hoarding permits that could relieve the pressure on Connecticut families, Jim will support legislation to charge oil and gas companies an escalating fee for the unused acres they are leasing. By capitalizing on existing infrastructure, this move will increase supply quickly – unlike proposals to open entirely new areas for leasing, which even the Bush Department of Energy estimates will have an “insignificant” effect on prices and won’t come online for nearly 20 years. In fact, the oil companies putting all of the acres they are already leasing into production will make a real dent in the prices we pay at the pump.

2. Ensure that the Oil Market is Not Distorted by Excessive Speculation

The rise in the price of oil in recent months is the consequence of many factors working in tandem. Some of these – such as rising demand for oil in China and India – are here to stay. Nevertheless, it is also important that we investigate whether forces other than normal supply and demand are part of the problem.

With his background on Wall Street, Jim recognizes the value of the futures market in helping both buyers and producers to control risk. But Jim also believes that markets work best when they are fully transparent and competently regulated. Of particular concern is the “Enron Loophole,” a 2000 law pushed by Enron Chairman Ken Lay, which exempted many energy traders from the normal regulations on commodities. Jim will support efforts to fully close the “Enron Loophole” and ensure that oil futures are traded on regulated, transparent exchanges. In addition, Jim will support legislation to call on the Commodities Futures Trading Commission to investigate whether or not further measures are required to curb excessive oil speculation.

Ensuring a Sustainable Energy Future

3. Cut Energy Bills by Greening Our Cities

The economic benefits of green building are striking. Energy Star appliances, energy-saving windows, high-tech insulation, and solar panel installations dramatically reduce utility bills for businesses and families – including the home heating oil that will prove so expensive this winter. New LEED-certified buildings enjoy on average a 25-30% reduction in energy consumption. We will be constructing millions of new buildings in

the next five years, and ensuring that these new projects are built green, while encouraging green retrofits for existing homes and offices, offers a rare win-win-win opportunity. In addition to cutting energy bills, green building will both protect the environment and create a new sector of well-paying “green collar” jobs – jobs which, unlike the manufacturing jobs cities like Bridgeport have lost in recent years, cannot be outsourced. With years of experience building green affordable housing in his non-profit career, Jim is ideally positioned to lead the charge on this issue in Congress.

The major obstacle to green building right now is simple: although it saves money in the long run, in the short run it requires an added cash expenditure that increases the total construction cost of the job. Few lenders are willing to front the money needed to achieve the future savings. As a result, too few architects, developers and builders understand the principles of green building. In Congress, Jim will introduce legislation to create federally-backed “green guarantees” on the additional investment required for green building, providing lenders confidence in loans that include energy savings in their underwriting. Moreover, Jim will push the federal government to serve as a clearinghouse for best-practices and green building standards around the U.S.

In addition, Jim will call for the federal government to lead by example in aggressively adopting green building standards. There are more than 500,000 federal buildings nationwide, covering 3.1 billion square feet and accounting for 0.4% of the nation’s total energy usage. Jim will set two ambitious goals for the federal government: all new federal buildings should be 50% more efficient within the next five years, and through green retrofits, all current federal buildings should be made 25% more efficient over the same period. This move will save taxpayers money, reduce the government’s environmental footprint, and model for the private sector the power and feasibility of green building.

4. Invest in Alternative Energy Sources and Encourage Clean Energy Production

For the sake of our economy, our environment, and our national security, it is critical that we transition to a low-carbon economy. That means reducing our consumption of oil and natural gas, and deploying new technologies for capturing wind and solar energy – energy sources that are both clean and plentiful. To that end, Jim will support long-term extensions for the Production Tax Credit and Investment Tax Credit, key programs that encourage businesses to invest in renewable energy sources. These critical incentives are currently set to expire at the end of 2008, casting dangerous uncertainty on our long-term commitment to alternative energy.

In addition, Jim will call for substantial increases in federal funding for research into alternative energy sources. Through these investments, we will tackle the energy crisis as Americans have always approached our greatest challenges – by leveraging the ingenuity and innovative capacity of the American people.

5. Accelerate the Development and Adoption of Fuel-Efficient Cars

America should lead the world in innovation, but when it comes to leveraging technology in the auto industry, we have fallen behind. For too long, Detroit has stood by its losing bet on gas-guzzling SUVs, while the rest of the world has far outpaced us on building the fuel-efficient cars that Americans are now demanding. The good news is that the tide is turning, with cars like the Chevy Volt – a plug-in electric hybrid from GM – scheduled to enter production in 2010. But to raise the bar and ensure that Connecticut families have access to the fuel-efficient cars that the price of gas demands, Jim believes it is time to significantly raise CAFE standards for both passenger cars and light trucks. To reignite American innovation and move the technologies that will reduce gas consumption to market, Jim will support aggressive new targets for fuel economy standards. Jim will also work to expand tax benefits to help consumers buy fuel-efficient cars, including lifting the current 60,000-per-manufacturer cap on eligible vehicles.

6. Put the Market to Work to Reduce Greenhouse Gas Emissions

Jim believes that climate change poses a serious threat to our economy, our health, our national security, and our way of life. Fortunately, we know from experience how to bring our greenhouse gas emissions back down to safe levels: adopt a cap-and-trade system that will put the ingenuity of the market to work, creating financial incentives for companies to lower their emissions without disrupting operations for businesses that depend on emissions in the short term.

We know firsthand the power of this approach, because we used it successfully in the 1990s to tackle the pollutants that cause acid rain. After we established a cap-and-trade scheme in 1990, emissions of sulfur dioxide were down by 5.5 million tons by 2002. In fact, a 2003 study by the Office of Budget and Management found that the Acid Rain Program accounted for the largest quantified human health benefit of any major federal regulatory program in the past decade – with benefits exceeding costs by 40 to 1. With this experience in mind, we know that we don't need to choose between economic strength and environmental protection. In Congress, Jim will put the proven best practice of cap-and-trade to work against climate change and work to ensure a livable planet for our children and grandchildren.