

JIM GERLACH

6TH DISTRICT, PENNSYLVANIA

HOUSE COMMITTEE ON FINANCIAL SERVICES  
SUBCOMMITTEE ON CAPITAL MARKETS, INSURANCE, AND  
GOVERNMENT SPONSORED ENTERPRISES  
SUBCOMMITTEE ON FINANCIAL INSTITUTIONS AND  
CONSUMER CREDIT  
SUBCOMMITTEE ON DOMESTIC MONETARY POLICY AND  
TECHNOLOGY  
HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE  
SUBCOMMITTEE ON AVIATION  
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT  
SUBCOMMITTEE ON RAILROADS, PIPELINES, AND  
HAZARDOUS MATERIALS

308 CANNON HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
(202) 225-4315  
FAX: (202) 225-8440

**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-3806

UKRAINIAN CAUCUS, CO-CHAIR  
PROFESSIONAL SPORTS CAUCUS, CO-CHAIR  
LAND CONSERVATION CAUCUS, CO-CHAIR

November 4, 2009

Mr. Darnall Daley Jr.  
1751 Garfield Ave  
Reading, PA 19610

Dear Mr. Daley Jr.:

Thank you for contacting me with your thoughts about climate change and carbon cap-and-trade legislation. I appreciate the opportunity to respond to your concerns.

As you may know, on June 26<sup>th</sup>, despite strong bipartisan opposition, the House passed H.R. 2454, the proposed American Clean Energy and Security (ACES) Act, by a vote of 219-212. I opposed the bill along with 44 Democrats and 167 other Republicans.

H.R. 2454 would, if enacted, strive to control greenhouse gas emissions by creating a federal cap-and-trade program. It would mandate nation-wide emission reductions by 2012, would require 17 percent reductions below 2005 levels by 2020, and aim for over 80 percent reductions below 2005 levels by 2050. In addition, the bill would impose a first-time federal renewable energy standard of 20 percent by 2020, as well as a host of other clean energy initiatives.

Throughout this process, I have maintained that I would consider any cap-and-trade legislation with three goals in mind. I do believe we need to achieve progress in decreasing carbon emissions and improving our environmental quality of life now and for future generations. However, we must move forward in a way that does not 1- put excessive burdens on our job creators, 2- result in domestic job losses by forcing U.S. companies offshore, and 3- dramatically increase the cost of energy for our families and businesses. Unfortunately, H.R. 2454 did not legislatively achieve that balance.

While the bill included provisions I support, such as promoting energy efficiency and developing the alternative and renewable energy our country needs, I voted against H.R. 2454 because of the significantly negative effect it will have on working families and the people who create jobs in my district and across Pennsylvania. The way the bill is currently written, the cost of electricity, natural gas, gasoline, and other fuels will increase. And those higher costs will be passed on to families at the grocery store, at the hardware store, in their homes, and at the gas pump.

If signed into law, this legislation will have sweeping impacts on our economy. Due to the wide-ranging implications of this legislation, I wanted to make sure constituents, business owners, utility companies, environmental advocates, and others in the 6th

DISTRICT OFFICES:

**BERKS COUNTY**  
840 NORTH PARK ROAD  
WYOMISSING, PA 19610  
(610) 376-7630  
FAX: (610) 376-7633

**CHESTER COUNTY**  
111 EAST UWCHLAN AVENUE  
EXTON, PA 19341  
(610) 594-1415  
FAX: (610) 594-1419

**MONTGOMERY COUNTY**  
580 MAIN STREET, SUITE 4  
TRAPPE, PA 19426  
(610) 409-2780  
FAX: (610) 409-7988



District weighed in on H.R.2454 prior to the House vote. That's why on June 23<sup>rd</sup>, I hosted a roundtable discussion on the legislation at the Chester County Economic Development Council offices to hear the views from these key constituencies on the bill.

Overwhelmingly, my constituents, businesses, and local job creators opposed the legislation because of the negative impact it will have on our district, our workers, and our families. For example, in a memo analyzing cap-and-trade legislation, three of the Commissioners of the Pennsylvania Public Utility Commission opined that if this legislation were to pass, within 10 years, PA could expect a net loss of as many as 66,000 jobs. PPL Corporation, which has about 30,000 customers in the 6<sup>th</sup> District, has estimated that the bill is likely to increase electricity bills by 25 to 30 percent. That's in addition to the estimated 25 percent rate hike anticipated when Pennsylvania's rate cap expires next year. Morgantown-based Titanium Metals Corporation said a 30 percent increase in utility rates resulting from cap-and-trade would cost the company an additional \$2 to \$3 million per year and make it uncompetitive with its titanium producing Russian competitors. These are just a few of the many examples of how H.R. 2454 could negatively impact our district.

In addition, due to the fact that this legislation will almost certainly and directly lead to job losses on a grand scale, H.R. 2454 includes a program giving displaced workers 156 weeks of unemployment benefits and up to \$3,000 per person for job search assistance, moving expenses, and job counseling. In the worst economy in America in decades, it makes more sense to me to put our energy into passing bills that keep jobs in America and allow workers to continue receiving paychecks instead of unemployment checks.

Especially crucial to my opposition of this legislation was the fact that during House consideration of this legislation, no reports or studies were identified or put forward by the bill's proponents, the U.S. Environmental Protection Agency (EPA), or any other scientific body to show that enactment of the bill will lead to a substantial reduction in global warming if China and India—two countries that produce incredible amounts of greenhouse gases -- do not undertake comparable carbon emission reduction programs. Interestingly enough, however, multiple studies have been conducted to confirm that the U.S.-centric cap-and-trade system in this legislation will result in unilateral economic disarmament here in America without corresponding improvement to our climate worldwide.

As climate change legislation is being developed in U.S. Senate, I encourage you to contact our two U.S. Senators, Arlen Specter and Robert Casey, to share your thoughts and concerns on this issue. While Senate Majority Leader Harry Reid (D-Nev.) has said that any energy and cap-and-trade legislation would be on hold until much later this year, the Senate has considered H.R. 2454 as a foundation for its own proposal. I am hopeful that, as the Senate moves forward and we continue discussions in the House, significant sections will be improved. It is my view that we need to undertake a national initiative for energy independence that will allow us to break our dependence on foreign energy while, at the same time, not have a negative impact on job growth and our



economy. I will continue to focus my efforts on encouraging energy conservation practices, increasing research and development of alternative fuels, and making a strong investment in energy sources such as wind, solar, nuclear, and hydropower throughout this process.

Again, thank you for contacting me about this very important issue. Please let me know if I can be of any assistance to you or your family in the future.

With kind regards, I am

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Gerlach", with a long horizontal flourish extending to the right.

Jim Gerlach  
Member of Congress

JG:LS

*P.S. Please visit me on the internet at <http://www.gerlach.house.gov>.*