

**TESTIMONY OF NEW YORK CITY MAYOR MICHAEL R. BLOOMBERG
HOUSE SELECT COMMITTEE ON ENERGY INDEPENDENCE
AND GLOBAL WARMING
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Good Afternoon Acting Chair Inslee, Ranking Member Sensenbrenner, and members of the House Select Committee on Energy Independence and Global Warming.

I appreciate this opportunity to speak with you today. As you may know, those of us on this panel just came from an event hosted by the U.S. Conference of Mayors, which highlighted how much local leadership there is on climate change in cities across the country. My remarks this afternoon will summarize what I told my colleagues at the conference.

And that message, to be succinct, is this: We need Congress to start taking the same kinds of bold actions that cities and states are taking. And let me note: I'm talking about Mayors and Governors who are Republicans, Democrats, and independents.

We need federal action because putting the brakes on global warming is not only an environmental imperative; it is also a national security imperative and an economic security imperative.

The fact is, green energy is going to be the oil gusher of the 21st century – creating good jobs across America. Farm jobs, factory jobs, sales jobs, management jobs. This is going to be a huge industry, and if we're going to remain the world's economic superpower, we have to be the pioneers.

Fighting global warming is also a national security imperative because it will allow us to reduce our dependence on foreign oil, which has entangled our interests with tyrants and increased our exposure to terrorism. Any serious, long-term strategy for strengthening our national security must include a strategy for breaking – in President Bush's words – our addiction to oil.

Usually breaking an addiction involves a 12-step program. I think we can do it in four steps, and I'd like to briefly touch on each.

[Pause]

First, we need to increase investment in energy R&D, including support for demonstration projects, such as the waste-to-energy plant that we would like to build in New York City. Right now, the U.S. is spending just one-third of what we were in the 1970s on R&D. The current energy bill should include more funding for clean energy projects – and for other projects that will lead to less greenhouse gas pollution.

For instance, I want to compliment the U.S. Department of Transportation for providing New York, Seattle, and several other cities with large grants to reduce traffic congestion.

In New York, we're using the money to develop a system of congestion pricing. This is another good example of how fighting global warming is also good for the economy – and good for public health. Because congestion not only increases greenhouse gas emissions, it costs the New York City region about \$13 billion in lost economic activity, and the pollution it produces contributes to asthma rates that are twice the national average.

[Pause]

Second, we have to stop setting tariffs and subsidies based on pork barrel politics. Why are we taxing sugar-based ethanol at 50 cents a gallon while we are subsidizing corn-based ethanol at 50 cents a gallon – even though sugar-based ethanol is cheaper and producing it generates less carbon dioxide?

It's special interest politics, plain and simple – and it's not only hurting the environment, it's hurting consumers.

[Pause]

Third, we have to get serious about energy efficiency – for both our buildings and our vehicles. Last week, I signed an Executive Order instructing city agencies to reduce their discharge of carbon dioxide by 30% by 2017. To achieve this, we have committed to spend \$80 million this fiscal year to install more efficient heating, ventilation and air conditioning systems, as well as more efficient lighting and boilers.

Congress has a big role to play in improving efficiency standards. For instance, other countries are phasing out inefficient incandescent light bulbs; we should too. But most importantly, we've got to get serious about mileage standards. In New York, we already have the largest municipal fleet of hybrid vehicles, and we've also begun converting all our 13,000 yellow taxis to hybrids or other high-efficiency vehicles. That's a great start, but to really make a dent in CO2 emissions and air pollution, we need Congress to act.

The current Senate energy bill would increase mileage standards from 27.5 to 35 miles per hour by 2020. I strongly urge the House to adopt the same standard – or tougher. It would not only be great for the environment, it may be the single best thing we can do to support the long-term health of the American auto industry.

[Pause]

Fourth and finally, we have to stop ignoring the laws of economics. As long as greenhouse gas pollution is free, it will be abundant.

If we want to reduce it, there has to be a cost for producing it – which means putting a price on carbon indirectly, through a cap-and-trade system, or directly, through a charge on all carbon use.

The primary flaw of cap-and-trade is economic – price uncertainty, which could have harmful economic effects; while the primary flaw of a pollution fee is political – because proposing new fees is unpopular.

But make no mistake: The costs are the same under either system – and if anything, costs might be higher under cap-and-trade, because middlemen would make money off the trades. By charging a direct fee, we could use that revenue to offer a tax cut – for instance, by cutting the payroll tax.

I've never been one to let short-term politics get in the way of long-term success, and I hope that this committee, as it considers the indirect cap-and-trade approach, will also consider the direct fee approach.

[Pause]

Whichever route we choose, we can't be afraid to act. Global warming is testing America's leadership on the international stage, and it is testing our resolve here at home.

Mayors and governors have shown that elected officials can make tough choices and still win the respect and support of constituents.

I'm hopeful that both ends of Pennsylvania Avenue will take that to heart and have the courage to take bold action – because there is so much riding on the outcome.

Thank you, and I would be happy to answer any questions you may have.

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