

## **Consumers, Small Businesses Will Pay for Climate Change Legislation**

Climate change legislation will significantly raise fuel costs for all Americans, the American Trucking Associations (ATA) recently told the U.S. Senate Committee on Environment and Public Works. The increased transportation costs would drive up the price of goods, imposing great costs on consumers and small businesses.

ATA Executive Committee Chairman Ray Kuntz testified that any substantial cost increases imposed directly or indirectly on trucks by climate change legislation will curtail the delivery of food, medicine, clothing and other vital consumer goods across the nation. Increasing fuel costs are particularly detrimental to those in the trucking industry because 96 percent of motor carriers are small businesses. Constraining the country's freight delivery system would change our way of life for the worse by significantly increasing the cost of everything we buy.

Kuntz, who is ATA's Immediate Past Chairman, explained that a one-cent increase in the average price of diesel costs the trucking industry \$390 million a year. One petroleum supplier has indicated that climate change legislation could increase the cost of gasoline by 77 cents per gallon and the cost of diesel fuel by 88 cents per gallon. As trucking companies struggle with already miniscule profit margins, additional fuel costs would be passed on to shippers of goods and materials and ultimately to consumers.

In addition to increased fuel costs, Kuntz addressed six other issues in his testimony relating directly to climate change legislation and the trucking industry:

- Climate change legislation must address the need to improve highway infrastructure to reduce carbon output;
- Carbon oversight markets must carefully be monitored and transparent to prevent excessive speculation;
- Trucking needs to be addressed differently than passenger vehicles because trucks are not discretionary fuel users;
- State transportation emissions reduction plans must not impede the delivery of goods;
- Federal regulations must preempt regional, state and local carbon laws to prevent a patchwork jumble of laws that would impede transportation efficiency; and
- Oil refiners should receive appropriate free carbon allowances for fuel production to help offset significant price increases for refined products.

Click [here](#) to view the entire testimony by Ray Kuntz.

Despite the great financial burdens associated with climate change legislation Senate Democrats will likely introduce companion legislation to H.R. 2454, the American Clean Energy and Security Act of 2009, in early September after returning from August recess. In July the House of Representatives approved that bill, 219-212.

Leaders of the Democratic-controlled Senate say they are planning to combine a version of the House bill with a separate measure mandating energy efficiency and the use of

renewable sources such as solar and wind power. In an attempt to broaden its support, the legislation also provides for an extension of offshore oil and gas drilling in certain areas. Most Republicans have said they oppose the cap-and-trade measure, and at least 15 of the Senate's 60-member Democratic majority have said the House-passed version would hurt the economy and needs to be revamped to win their support. Most recently, Sens. Blanche Lincoln (D-Ark.), Ben Nelson (D-Neb.), Byron Dorgan (D-N.D.) and Kent Conrad (D-N.D.) have urged the Senate to delay legislation that puts caps on greenhouse gas emissions and instead, pass a narrow bill that sets requirements on the use of renewable energy.

Senate Majority Leader Harry Reid (D-Nev.) has set a deadline of Sept 28 for committees to complete work on climate change provisions. Failure to act would leave regulation in the hands of the Environmental Protection Agency, which has asserted its right to do so under the Clean Air Act.