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Deepwater Horizon: Complicating New England's Chances for a Climate Change Bill

By Matt Henson, Political Outreach Coordinator, PBLN

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Even as this column is being written, BP's Deepwater Horizon continues to spill oil into the Gulf of Mexico. Over the past week, estimates of the [rate of spillage have increased](#) by more than ten-fold, to close to 70,000 barrels a day.

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In the month since the blowout event took place, if the revised estimates are accurate, more oil has leaked than in the previous largest accident: the infamous Exxon Valdez incident in Alaska.

One might think that the BP spill, which has highlighted the risks and external costs imposed by hydro-carbons, would inspire America to revisit its national energy policy. And to be fair, Congress has been wrestling with climate change since at least [as early as 1997 with Kyoto](#). The current proposal is the "Waxman-Markey bill" - climate-change legislation that has already been passed by the House - and now is being considered by the Senate, under legislation written by U.S. Sen. John Kerry.

The "Markey" in Waxman-Markey refers to U.S. Rep. Ed Markey, also of Massachusetts, whose [Select Committee on Energy Independence and Global Warming](#) wrote a significant portion of the bill. Last week, members of the [Progressive Business Leaders Network](#) (PBLN) had the opportunity to visit at length with Markey during the group's annual conference in Washington last week. (Held

in the sparkling new Capitol Visitor's Center, the conference brought more than 75 New England business leaders together with Members of Congress, congressional staff and Obama Administration officials for a full day of policy and politics.)

Back to the BP spill: With the economic and ecological future of the Gulf of Mexico in jeopardy, why wouldn't the accident help gather political momentum on behalf of a climate change bill that seeks - in part - to reduce the nation's reliance on oil? After all, the hydrocarbon-based economy is a classic "externality" problem: because the costs of petroleum cannot be accurately measured (or priced), oil appears to be inexpensive vis-à-vis other forms of energy. Further, existing oil reserves are being depleted, which forces exploration out further offshore, with the risks that are now clear.

The key to understanding this fragile deal is in President Obama's announcement in March that he was ["open" to expanded East Coast offshore drilling](#). The statement surprised many and was met with resistance from some in the environmental coalition. Yet in retrospect, it seems clear that the [president's endorsement of expanded drilling](#) was intended to give political cover to pick up votes in favor of the climate change bill. Politics does make strange bedfellows, and perhaps none more so than a nice, blue-state congressman like Ed Markey getting himself mixed up with the "Drill, baby, drill" crowd. But as Markey himself remarked, the BP spill has stiffened environmental resistance to offshore drilling, even as the politics of climate change seems to require some short-term expansion of the activity.

Markey, who (not co-incidentally) wrote or co-authored three separate pieces of legislation in the 1990s that de-regulated cable and reformed the wireless spectrum, sees energy as a much bigger opportunity than tech was 15 years ago. "The energy sector is four times

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bigger than tech," he told the PBLN audience. And the region is poised to receive a disproportionate share of clean-energy grants; Markey stated that in the 2009 Stimulus Act, 20 percent of all NIH grants were awarded to New England institutions. Like the teaching hospitals that attract health grants, the region has inherent advantages: "the very factors that drive energy costs higher in New England makes the return on energy investments here much better." Citing examples like [A123](#) and [EnerNOC](#), Markey highlighted local energy innovation: "That's who we are in New England."

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Markey remains optimistic – perhaps unrealistically so, as he admitted to the PBLN group – despite the difficulties in getting the requisite votes in the Senate. But he is coldly realistic about the challenges that the U.S. faces in migrating to a clean-energy economy.

He closed his presentation with the story of a recent visit to southern China, where he passed a factory where dozens of brand-new wind-turbine blades lay stacked under tarps, pointed in Markey's words "like daggers aimed at America. I was reminded of Adlai Stevenson's presentation to the UN in 1962 where he showed the world the photographic proof of Soviet missiles pointed at the U.S. China is ruthlessly targeting the U.S. clean energy field."

China has identified clean energy as a future growth sector; in wind turbines, for instance, China has jumped from negligible production a decade ago to three of the world's top 10 manufacturers, and China is now the [world's largest wind market](#). For energy-consuming New England, properly pricing hydrocarbon energy is both in the region's and in the U.S. national interest. It would be more than ironic if the BP spill meant the delay in development of a clean-tech industry for a world that is more precarious – and energy-hungry – than ever.

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