



For Immediate Release
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**Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding The International Aspects of a Carbon Cap and Trade Program**

The conservationist Aldo Leopold, author of *A Sand County Almanac*, said:

“We shall never achieve harmony with land, any more than we shall achieve absolute justice or liberty [T]he important thing is not to achieve, but to strive.”

We may not achieve the perfect response to climate change. But we must strive to address those elements of climate change that stem from human activity. I applaud those Senators — including Senator Bingaman of this Committee and Senator Specter who is joining us today — who have striven to address this goal in their legislative proposals.

I believe it is a moral imperative to deal with climate change. We all have a basic duty to leave this world to our children better than we found it.

But, as we address climate change, we must also strive to do so in harmony with economic growth. Establishing a cap on carbon emissions has the potential to affect the American economy. It could raise costs, especially for energy-intensive industries like aluminum and cement.

We must strive to minimize the competitive disadvantage that these costs will place on America. We can do that by encouraging other countries to commit to their own carbon reductions. In that way, we can level the regulatory playing field. And in that way, we can reduce the incentive for American manufacturers to move their operations and jobs overseas.

Pending legislation attempts to safeguard American economic competitiveness through measures taken at the border. For instance, proposals require importers to buy carbon allowances for products imported from countries that have not made commitments to reduce greenhouse gases.

Our trading partners are watching these proposals carefully. Our challenge is to craft border measures in a manner that both meets our domestic priorities and respects international trade rules.

Likewise, we can preserve American economic competitiveness by reducing compliance costs for Americans. As we design the American carbon market, we must provide opportunities for American industries to buy carbon allowances wherever they are available, not only in the United States.

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At the end of the day, climate change is a global problem. It requires a global solution. The solution that we develop must also provide incentives for emerging economies like China, India, and Brazil to join our effort. Their economies compete with ours. They cannot enjoy a free ride, while we bear the cost.

I thank today's witnesses for helping us to consider ways to address climate change through a carbon cap-and-trade program. I hope that they will give us their ideas about how we can learn from others' experience, achieve the most efficient emissions reductions for our industries, and encourage our trading partners to join in our efforts.

Today's hearing is the first of several that this Committee will hold on climate change. Today we cover trade and international carbon markets. Future hearings will address tax issues related to the sale and allocation of carbon allowances.

So let us learn about the trade implications of a cap-and-trade system. Let us strive to achieve greater harmony with the land. And let us seek ways to do so that also maintain harmony with a prosperous America.

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