



For Immediate Release
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**FINANCE COMMITTEE EXERTS OVERSIGHT IN HEARING
ON REVENUES AND CLIMATE CHANGE**

Baucus examines costs of cap-and-trade, viability of Treasury auction program

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) convened a hearing today featuring experts in the field of climate change and emissions auctions, in both the U.S. and Europe, to discuss how an auction of carbon allowances should be constructed in the U.S. Several aspects of a cap and trade program fall under Finance Committee jurisdiction, including the collection and distribution of revenues from any auction, and addressing border and trade considerations.

“The prospect of a cap-and-trade program presents its fair share of obstacles, but our job is to find the opportunity here, to recognize that there may be resourceful ways to reduce our carbon output without slowing our economic output,” said Baucus. **“The work of the Finance Committee remains key to this effort, and I’m committed to finding workable solutions in cooperation with my colleagues, the business and environmental communities, and the President.”**

Baucus inquired whether the Department of Treasury might be best equipped to design and manage an auction program. Newly-confirmed Treasury Assistant Secretary Alan Krueger said the Treasury Department has done a “remarkable” job of ensuring transparency and preventing market manipulation within the auction programs it currently manages. Treasury administers over \$5 trillion each year through more than 250 auctions.

Baucus also pressed witnesses on the potential effects of a cap-and-trade program on the U.S. economy and options to contain costs for both industries and consumers. Jos Delbeke, Deputy Director-General of the European Commission’s Directorate for the Environment, noted that the European Union will allocate free carbon allowances to certain carbon-intensive and trade sensitive industries during Phase III of its cap and trade program. Delbeke explained that this approach will limit auction revenues generated by the program, but will offset transition costs to industry and consumers.

Opening statements and full video footage of the hearing may viewed on the Finance Committee website here: <http://www.finance.senate.gov/sitepages/hearings.htm>

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