

November 20, 2009

Dear Senator,

Addressing climate change is a critical national priority, and we are very pleased to see that climate change legislation is moving forward in the Senate.

That said, as organizations deeply concerned with the well-being of low-income families and children, we are deeply disappointed that the legislation reported out of the Environment and Public Works committee, in a significant departure from the House-passed bill, fails to ensure that our nation's most vulnerable citizens are fully protected from increased costs for food, clothing, heat and transportation.

In passing the American Clean Energy and Security Act of 2009 (H.R.2454), the House established the principle that effective climate change legislation should not make low-income households worse off. Low-income families are disproportionately affected by increases in energy prices inherent in effective cap-and-trade legislation, as they spend a larger portion of their budgets on energy-intensive necessities like food, home energy and transportation. Recognizing this, the House bill sets aside 15% of the total value of greenhouse gas allowances created by the bill to fund targeted low-income consumer refunds that, when combined with relief funded through utility companies, fully offset, on average, the increased energy prices that consumers in the bottom quintile of the income distribution will face.

The Environment and Public Works Committee bill sets aside 15% for low-income relief only *after* a large number of allowances are taken off the top to ensure that the bill remains deficit neutral, and to provide some funding for several favored programs; 15% *of the remaining allowances* amounts to only 12.6% of the total. Additionally, the EPW bill reduces the amount of consumer relief channeled through Local Distribution Companies (LDCs) below the House level. While LDC relief is not targeted to low-income households, it is an important piece of the compensation these families receive. In order to make up for the reduction in LDC relief, the Senate bill should reserve *more* than the House's 15% of total allowance value for targeted low-income relief; instead, it reserves less.

If the Senate does not provide resources equal to the House bill for low-income consumer refunds, it will force reductions in eligibility and/or the amount of relief provided, leaving millions of low-income households worse off.

While we appreciate the need for the Senate climate bill to be deficit neutral, fiscal responsibility should not come at the expense of vulnerable families. While the Senate bill reduced *most* allowance allocations to accommodate deficit reduction, some expenditures were partly protected from these cuts. Similar priority should be afforded to protecting low-income families from hardship.

The danger from unrestricted greenhouse gasses is too grave for inaction. The Senate can and should pass strong, effective, deficit-neutral climate legislation that does not drive low-income families into poverty or make families already living in poverty worse off. We ask you to actively work with Senate leadership to ensure that a full 15% of allowance value is dedicated to fully protecting households in the bottom quintile from increased costs.

Thank you,

Americans for Democratic Action, Inc.
Association of Farmworker Opportunity Programs
Bread for the World
Catholics United
Center for Law and Social Policy
Center on Budget and Policy Priorities
Child Welfare League of America
Citizens for Tax Justice
Coalition on Human Needs
Coalition for Justice
Common Cause
Community Action Partnership
Evangelical Lutheran Church of America
Families USA
Food Research and Action Center
Green DMV
Green For All
Half in Ten
Institute for Women's Policy Research
Jewish Council for Public Affairs
Just Harvest
National Association of Child Care Resource and Referral
National Advocacy Center, Sister of the Good Shepherd
National Association for State Community Services Programs
National Council of Churches USA
National Council of Jewish Women
National Health Care for the Homeless Council
National Hispanic Environmental Council
National Latino Coalition on Climate Change
National Low Income Housing Coalition
National WIC Association
National Women's Law Center
NETWORK: A National Catholic Social Justice Lobby
Presbyterian Church (U.S.A.) Washington Office
Project Community, Inc.
Sargent Shriver National Center on Poverty Law
Sisters of Mercy of the Americas Institute Justice Team
Sojourners
The Episcopal Church
The Every Child Matters Education Fund
Union of Reform Judaism
Unitarian Universalist Association of Congregations
United Church of Christ, Justice and Witness Ministries
USAction
Voices for America's Children
Wider Opportunities for Women
Xaverian Brothers
YWCA USA