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Energy and Environment in the American Recovery and Reinvestment Act of 2009

In recent decades, efforts to develop solutions to major developmental issues that affect the international community have benefitted tremendously from the collective wisdom of highly respected scientists, economists and other technical experts through inter-governmental panels, committees and working groups. Consequent to the far-reaching developmental implications of global warming and climate change, these issues were the subject of intense discussion at most major international meetings in the last 10 years. In this regard, several invitations were issued to the United States of America, to join the rest of the world in the development and implementation of a plan to confront this challenge. The United States did not heed the call until Barack Obama became President on 20 January 2009. Obama recognized that in order to sustain the economy of the United States, environmental protection and economic measures have to be complementary, and signed the American Recovery and Reinvestment Act into law after approximately one month in office (Environmental Protection Agency).

Familiarly known as the Recovery Act, this piece of legislation takes a multi-pronged approach to solving several critical developmental issues. United

States Government sources describe the Act as a “comprehensive plan to invest in alternative and renewable energy,” reduce dependence on foreign petroleum products, contribute to the global effort to address the climate change crisis and “create millions of new jobs” (White House). The international community welcomed this shift in America’s policy direction and is carefully monitoring the progress being made on the implementation of the various provisions of this Act (Goldberg). In the short and medium term, the Act will provide direct benefits to the American economy. In the long term however, this legislation will support efforts to reduce global dependence on fossil fuels, thereby reducing greenhouse gas emissions and the threat of global warming and climate change.

The United States is highly dependent on the utilization of imported fossil fuels for its manufacturing industries, transportation, heating, electricity generation and agricultural production. President Obama in his 2010 budget overview document provides this viewpoint:

> The high gas prices of last summer only underscored what we have known for decades: we cannot afford to depend so heavily on foreign oil and other fossil fuels to power our economy ... While the national security implications have been clear for some time, the more we learn about global warming, the more we see that failure to wean ourselves off of fossil fuels also jeopardizes our economy and our entire planet. Countries and companies around the world recognize this and are working day and night to develop clean

> energy technologies that will change everything from how we generate our electricity to how we power our cars and trucks. (Qtd in Climate Science)

Among the measures to be implemented under the New Energy for America Plan are the manufacture and sale of “1 million plug-in hybrid cars by 2015” (White House) that will be made in America and have a fuel efficiency level of 150 miles per gallon. It is also envisaged that within 10 years, America will save more oil than is currently being imported from the Middle East and Venezuela combined since imports from these countries will be completely eliminated by this time (White House). These savings will be accomplished mainly through the “creation of a new $7,000 tax credit for the purchase of advanced vehicles, the promotion of responsible domestic production of oil and natural gas, and the establishment of a National Low Carbon Fuel Standard” (White House). These hybrid cars will use less fuel and therefore emit fewer greenhouse gases. This program will directly contribute to pollution-reduction efforts, and since the cars will be manufactured in America, also create jobs in the automobile industry.

On the improvement of energy efficiency and the provision of electricity from renewable sources, the President outlined a phased plan that would ensure that 10 percent of the electricity supply of the United States is generated from these sources by 2012 and 25 percent by 2025 respectively. (White House) The plan includes “funding to insulate domestic and public buildings: tax breaks and

loans for solar and wind power firms: investment in a new electric grid; expansion of subways and inter-city trains" (Goldberg).

Further, the programs developed under the Recovery Act will also pave the way for the development of the United States' carbon market. In this regard, President Obama in presenting the Fiscal Year 2010 Budget titled "A New Era of Responsibility: Renewing America's Promise" made the following statement:

> The Administration is … working with key stakeholders to develop an economy-wide emissions reduction program to reduce greenhouse gas emissions approximately 14 percent below 2005 levels by 2020 and approximately 83 percent below 2005 levels by 2050. This program will be implemented by a cap-and-trade system … revenues will be returned to the people, especially vulnerable families, communities and businesses to help the transition to a clean energy economy. (Qtd in Climate Science)

These initiatives will lead to substantial savings, assist in the transformation of the economy (to low carbon and sustainable), lead to lower costs in general and provide a more efficient supply of energy. In the long run, a vibrant carbon market will contribute to the reduction of fossil fuel dependence, and to environmental protection at the national level. It will also be of immense significance to international efforts to combat global warming and climate change, since it will form part of the global carbon market network.

The United States is currently experiencing extremely high unemployment levels, and one of the government's most urgent tasks is the creation of jobs. President Obama has clearly outlined the importance of "green jobs":

> If we lead the world in the research and development of clean energy technology, we can create a whole new industry with high-paying jobs that cannot be shipped overseas… with clean energy we can bring new jobs to rural areas long left behind in economic growth (Qtd in Climate Science).

This statement is strongly supported by the recently released Energy [R]evolution Report, which states that "according to the University of Massachusetts Political Economy Research Institute, investments in wind and solar power create 2.8 times as many jobs as the same investments in coal; mass transit and conservation would create 3-8 times as many jobs as coal" (European Renewable Energy Council; Greenpeace). The report concludes that investments in alternative and renewable energy would create more jobs than investments in traditional sources of energy. As mentioned earlier, the manufacture of hybrid cars (a fuel conservation measure) is one of the important elements in the job creation program.

According to a report released at the Inaugural Meeting of the White House Task Force on Middle Class Families "green jobs are more likely to be unionized than other jobs", and strongly suggests that this factor will help to

"strengthen middle class families and provide pathways into the middle class for disadvantaged workers" (Environment News Service). The importance of any initiative that will create employment at this precarious moment in the economic history of the United States cannot be overstated, the Recovery Act also grants explicit consideration to employment as a catalyst in rural development and places emphasis on the provision of jobs for the middle class. Job creation for these vulnerable groups is integral to the successful implementation of the Recovery Act.

Interestingly, President Obama's bold maneuvers have been greeted with varying levels of enthusiasm and credibility from environmental groups that were frustrated by the inaction of the Bush administration. On one side, there are those who believe that the task is an impossible one, since "success will depend on whether Congress passes legislation on three major areas: expansion of public transport, wind and solar energy and capping carbon dioxide emissions" (Goldberg) in 2009. On the other side, among scientists, heads of international institutions and other leading technical experts, the level of optimism that the task can be accomplished is high. After a recent meeting with President Obama, the Secretary-General of the United Nations Ban Ki-Moon said that they "have set a goal of securing passage of a climate treaty at a meeting in Copenhagen in December" (Yale Environment). This is a clear indication that Obama will lead the United States delegation to this important meeting and play a lead role in the charting of new international policy directions on this issue.

Finally, politics will play a very important role in the success of President Obama's proposals, but the Energy [R]evolution report is very optimistic and clearly outlines how the United States can achieve the benchmarks, if action is taken now. This is "not a time for political games, but for the implementation of practical measures to improve the economy. The targets set are ambitious but are within America's reach" (Greenpeace). The Act is being implemented with a deep sense of urgency, and as early as next month the stage will be set by the Environmental Protection Agency to begin the regulation of greenhouse gases (Yale). Since the success (of the Recovery Act) and the survival of the American economy are dependent on swift and decisive action from Congress, on legislation that would pave the way for the expansion of public transport, development of wind and solar energy and capping carbon dioxide emissions, these lawmakers must recognize the importance of the Act and take the necessary steps. When the United States delivers on its promise, this will be viewed as a demonstration of its quality as a world leader, and once again the country would have gained the respect of the international community.

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