

Kankakee family proud, relieved, after son completes fourth combat tour in Iraq. Community notebook ● E2



● Economy

Clarity on cap and trade

Bill Kristol, FOX News commentator, left, shakes hands with David Hinderliter, President and CEO of the Kankakee Regional Chamber of Commerce on Tuesday.

The Daily Journal/
Lisa Pesavento



Whom do you believe?

- Estimates on what the bill would mean to the average family vary and estimates on its impact on jobs vary.
- Americans for Prosperity says it will cost the average family of four \$2,979 a year from 2012 to 2035.
 - The Environmental Protection Agency says it will cost the average family from \$80 to \$111 a year.
 - The Congressional Budget Office says it will cost the average family \$175 per household in 2010.
 - Americans for Prosperity says the bill will cost as many as 95,000 Illinois jobs by 2011.
 - The Natural Resources Defense Council says it will create 69,624 clean-energy jobs in Illinois.
 - Illinois can expect a 58 percent increase in gasoline prices and a 90 percent increase in electric prices by 2035, according to Americans for Prosperity.
 - The Natural Resources Defense Council estimates the bill will save Illinois consumers \$6.94 a month in electric costs and \$9.84 a month at the gas pump.

Detractors keep their heads in the sand

The opponents of the cap and trade energy bill, Rebecca Stanfield said, just don't see the global warming as a crisis. "They are wondering about what might happen, but science has been telling us about global warming for a long time," she said. Even the average American, she said, simply does not see it as an immediate threat. Terrorism seems an immediate threat. Global warming "sneaks in under the brain's radar," according to a column by Nicholas Kristof. Stanfield is the senior energy advocate for the National Resources Defense Council. Based in the Chicago office for the national group, she travels Illinois, Indiana, Ohio, Iowa, Minnesota, Missouri, Michigan and Wisconsin, working with legislators and utilities on the issues of regulation, rates and the environment. In Illinois, particularly, she said, the initial stages of cap and trade will be gentle. The bill sets a national goal of generating 20 percent of electrical energy needs by renewable resources by 2020. But Illinois, she said, has already passed a goal of reaching 25 percent of its energy needs by renewable resources by 2025. Renewables include solar, wind, biomass and small project hydroelectric. The Kankakee River has had a small hydro project for years, generating electricity for the city government. As presently planned, though, she said, the bill does not push for large-scale hydroelectric projects (no new Hoover dams) and does not embrace trash-to-energy technology, she said. The ultimate goal is to reduce the nation's carbon emissions by 80 percent by 2050. Three different kinds of new standards will emerge, she said. Electrical and natural gas utilities will have to meet new efficien-

cies. Building and lighting codes will become national instead of local. New appliance standards will be set by the Department of Energy, essentially phasing out many of the appliances you now own. "It's already been done with refrigerators," she said. Cap and trade, she said, will create jobs in three ways. There will be the direct installation of new equipment, such as furnaces. There will be a boom in manufacturing new appliances, windows and energy-saving materials. Finally, as the country spends less on energy, it can pour money into other things. She said the financial implications of cap and trade for families will be "obvious, but not severe." "It's a pittance," she said. Illinois policies, too, she said, are already ahead of the nation. She said ComEd is one of the better electrical utilities. Emissions from automobile tailpipes account for 28 percent of the carbon pollution. The bill attacks auto emission mostly by subsidizing the construction of more fuel-efficient cars. It does not push mass transportation. "There was a political calculation," she said, "that the nation needs an auto industry." While modern agriculture is energy-intensive, Stanfield said that agriculture will benefit in many ways from the bill. Wind turbines will be a new source of revenue on the farm. Farmers may also be growing new crops to feed the demand for biomass energy. Finally, there is the possibility that one version of "offsets" will be paying farmers to leave fertile fields fallow for the season. Stanfield acknowledges that the Third World will have to make a commitment if global warming is to be slowed, but the moral mantle rests with the United States. "We are the biggest user of energy," she said. "While we can't do it alone, it isn't going to happen without our leadership."

By Phil Angelo
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Just making ourselves feel better

For Phil Kerpen, the case against the cap and trade bill is pretty clear-cut. Even if everything in the bill works, he said, the net effect on the world's temperature will be 5/100 of a degree. He called it "environmental vanity," creating a feel-good idea that something is being done. Instead, he advocates, the only real way to improve the environment is to unleash the forces of technological change created by a free market. Kerpen is the policy director for Americans for Prosperity, a grass-roots pro-free-enterprise group. He was in Kankakee this week, along with Gary Baise, an attorney who specializes in environmental and agricultural issues; and FOX News commentator Bill Kristol to present some of the arguments against the cap and trade bill. Baise said that of the 177 climate models available, the framers of the bill chose the six "most extreme" to base all their assumptions on. "This is really a bill to kill off fossil fuels," he said. It will become impossible, he said, to build a new coal-fired plant. Kerpen believes that many industries, faced with rising utility costs, will relocate outside the United States. The full extent of the bill, Baise said, has yet to be realized. As a new federal bureaucracy is created, "the Clean Energy Deployment Administration," it will intrude on people's lives. Homes and businesses will be told how much energy to save and will be labeled with a "scarlet letter" if they fail. This will, he said, affect people's home values and the resale of other buildings. Even the makers anticipate the eco-

American Clean Energy and Security Act

The full text of the bill, HR 2454, has 553 sections and can be read at gov-track.us. Here are some highlights gleaned from the official 40-page summary prepared by the Congressional Budget Office. The essence of the bill raises the price of traditional fossil fuels, especially coal, while encouraging the use of alternative energy like solar and wind. The entire idea of "cap and trade" will allow businesses and utilities that use more than their "share" of fossil fuels to purchase the right to use coal and oil from firms that are doing a better job of not polluting. Over time, the amount of fossil fuel gases, "carbon," being emitted into the air, will gradually be drawn down, until 80 percent of it is eliminated by 2050. In some cases, businesses may be able to offset the use of coal or oil by making other environmental improvements. A new unrestricted free market would allow businesses or people to buy, borrow or sell pollution permits. If the price rises to unexpectedly high levels, the fed-

eral government could issue as many as 2.7 billion additional pollution permits to hold down prices. Anticipating the rising prices, there will be a refundable energy tax credit and rebate program for the poorest fifth of Americans. The "Cash for Clunkers" program that pays Americans to trade in old cars that get less than 18 miles a gallon would become a permanent benefit. An additional \$25 billion would go to automakers to help design and build new energy-efficient cars. Firms would be able to count environmental improvements made in other countries as part of their compliance. It is estimated that companies will pay \$1.2 trillion to buy the pollution permits over the next 10 years. A new federal agency, the Clean Energy Deployment Administration, would be created. Penalties for noncompliance will be "as high as \$1 million per day under certain circumstances." Workers who lose their jobs as a result of businesses that go under would be entitled to 156 weeks of unemployment at 70 percent of their wages. The government will take over standards for all appliances and outdoor lighting.

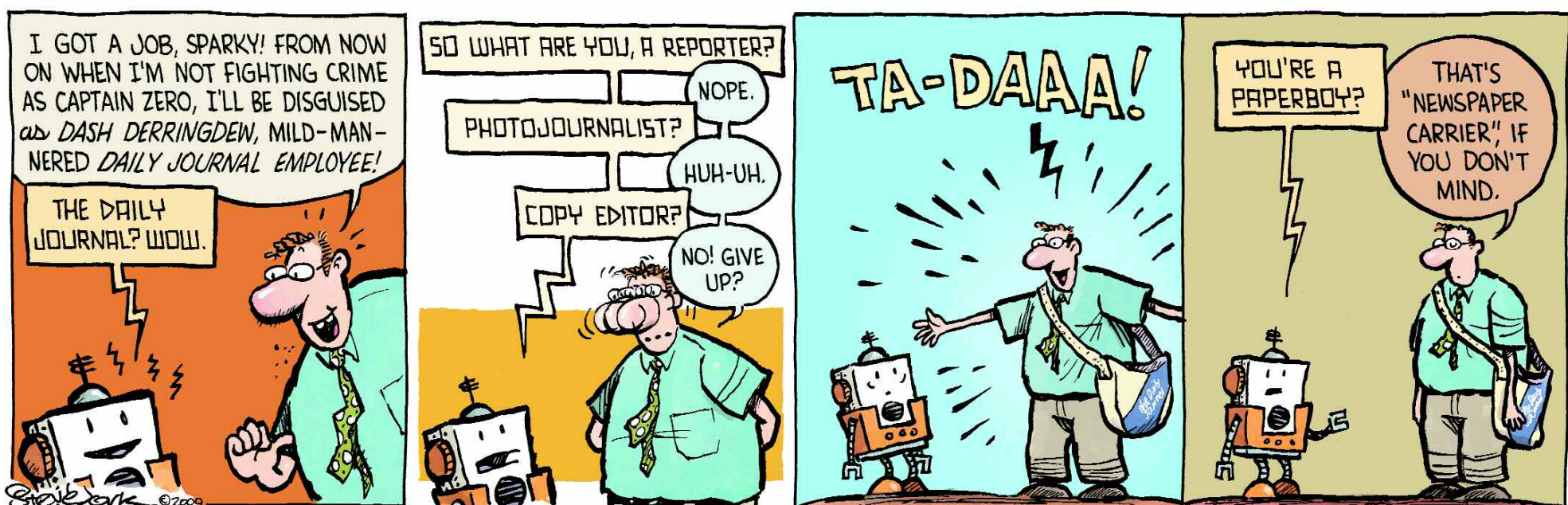
What Happens Next

Having passed the House, the bill now goes to the U.S. Senate. Senate action could be as late as this fall. If it passes the Senate, the two different versions of the bill will be reconciled, before going to the president.

U.S. Rep. Debbie Halvorson explains her "yes" vote ● E3

Captain Zero

by Steve York



Opinion

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Ours Yours & Theirs

Editorial

Trade in the cap

The estimates by the two sides in the "cap-and-trade" controversy are so disparate that it makes you wonder if they are discussing the same issue.

The Environmental Protection Agency says it will cost the average family from \$80 to \$111 a year. Meanwhile, the free enterprise-leaning Americans for Prosperity says it will cost the average family of four \$2,979 a year from 2012 to 2035.

Pretty big range — \$80 to \$3,000.

"Cap and trade," if you are unfamiliar, is a complex piece of legislation designed to slowly draw down the amount of carbon pollution Americans pour into the air.

While it is absolutely necessary to continue to make progress on the environmental front, this bill is a Pollyanna approach based on a vast transfer of wealth.

Our view:

The "cap-and-trade" bill focuses far too much on punishing American business, workers and consumers, and does far too little to actually generate energy. It should be rejected in its present form.

All sorts of statistics on the net effect miss the point. What will clearly happen is a radical shift of money and influence from some sections and classes of America to others.

• The first, and perhaps the most relevant to the good citizens of agricultural Illinois is to realize that it is a direct assault on small American towns. If you have a rural lifestyle, live in an older

home, and must drive miles to work in a factory, you are going to be a net loser — most likely a big loser.

If you live in a big city, in a modern home, don't own a car, use mass transportation, or can zip 10 miles to work in an electric car, you will be a big winner.

• The bill sets up an entirely new federal bureaucracy, the Clean Energy Deployment Administration. Will this eventually be the energy police?

• Sadly, too, the penalties in the bill are draconian. Mild avoidance, second chances or even failing to know the rules do not seem to be possibilities. For years, Washington has winked at defiance of immigration laws. This will have the opposite tack. With fines of up to \$1 million a day, the government may simply take your business.

• Vast new funds will be deployed to manufacture electric cars. At the same time, the bill is likely to increase the price of electricity. It looks like Stalinist five-year planning at its worst.

• The "unrestricted" nature of trading in pollution futures, clearly stated in the bill, has got to be troubling for anyone who watched the Wall Street meltdown. How much will the permits be worth? No one knows. Clearly, someone can buy up advance years of pollution. Then again, the government could quench speculation by dumping the availability of more pollution permits on the market.

• The same dichotomy exists about jobs. Proponents claim jobs will be created. Opponents claim jobs will be destroyed. Both are likely correct. The key thing is to remember that we are not talking about the same jobs. Older, heavy manufacturing is likely to be penalized. Newer, business parks will be rewarded. Businesses that are both labor-intensive (lots of people commuting) and energy-intensive will be among the biggest losers.

• While being labeled a "security act," the legislation does no such thing. There is no incentive to create energy. There's no incentive to drill up more oil, no push for nuclear power, not even a new Tennessee Valley Authority.

Rather than adopt all possible strategies, it is really a narrow view. More wind and solar and less coal. And far too much of the bill focuses on the "stick," the punishment, rather than the "carrot." The unspoken essence of this bill is energy rationing, disguised by layers and layers of obtuse bureaucratic writing.

It is, as if the nation, ashamed for years of energy excess, has opted to wear the "hair shirt" of penance.

Good for the soul?

Maybe.

But bad economics.

Commentary

Goodbye to the era of 'Cannonball Run'

Trading in Burt Reynolds' smile for the hum of the electric car

Having grown up in the Chicago suburbs in the '50s, I've always been a sort of "car guy."

I took a semester of auto shop in high school; I can drive a stick; I can change oil or spark plug wires. Among my favorite movies are "Bullitt," "American Graffiti," and "Thunder Road." During most of my life, I have subscribed to one or another of the motor magazines, "Car and Driver," "Motor Trend," or "Cycle World."

In the '90s, I tried both "Easy Rider" and "Performance Bike" (a witty and irreverent British motor cycle rag). Whereas "Easy Rider" is all about cruising Harleys-club style to a picnic to eat hot dogs, drink beer, and stage wet T contests, "Performance Bike" is more about testing the top

end of Japanese sport bikes on the King's Highways while outrunning the bobbies.

For the past ten years or so I have subscribed to "Car and Driver," a mag for guys fantasizing about driving exotic Italian or uber-engineered German cars. Car and Driver's writers turned out auto industry editorials, car evaluations and comparisons, and technical articles. When my latest issue arrived in the mail, I realized that, like the automotive industry, the automag business has gone upside down.

In the last six months, the old editors and writers have all gone away. The editor for 15 years, Csaba Csere (usual Hungarian pronunciation) was replaced. Famous car writer and author Brock Yates left last year. Yates played a big part in "The Cannonball Run," both the real event and the Burt Reynolds movie. The new issue included the farewell column from Patrick Bedard, a 20-year "Car and Driver" veteran.

The New York Times ran a piece about Csaba, which attracted about 50 Internet posted comments. I was very surprised that the prevailing sentiment was "good riddance to this radical right wing journalist." I had never thought of car mags as political, let alone radical.

But of course, in accordance with a passion for high-performance cars, big displacement V8s, and throaty exhaust tones, the auto journalists have been defensive about cars that use gasoline.

They tended to be skeptical that CO2 emissions are causing potentially devastating climate change, cool to government ownership of the auto companies, and unexcited by both expanded public transportation and electric-powered plastic cars. Automotive writers tend to be old-line gear heads with a background in engineering, a stint of working in the auto industry, and hands-on auto racing experience before becoming journalists.

In keeping with the new politics, the "Car and Driver" cover story this month is a comparison of plug-in electric cars, none of which is in production. The Chevy Volt and the Fisker Karma are engineered similarly, being electrically driven from a 400-pound lithium battery and having a small gas powered generator to extend the 50-mile battery-powered range.

The Dodge Circuit EV and the Mini E will be electric only, with a maximum range on the order of 100 miles. Since the time to recharge is overnight, these are two cars that will never leave town. Ever.

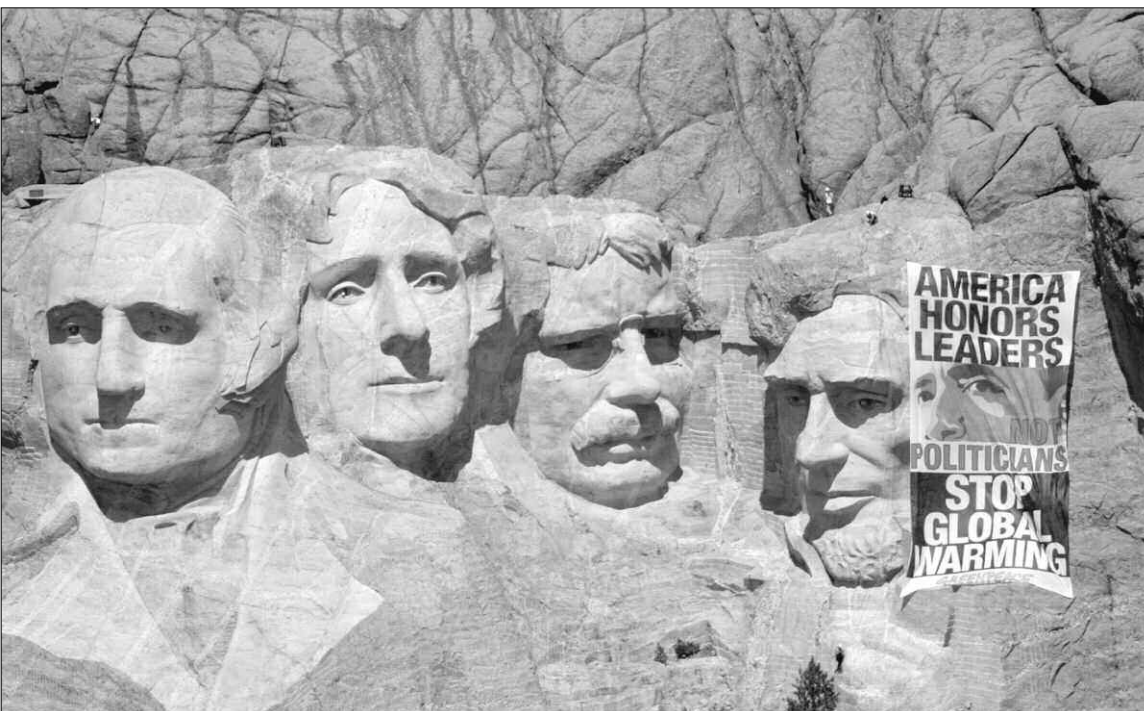
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GLOBAL WARMING PROTEST



PRNewsFoto/Greenpeace, Kate Davison

Greenpeace climbers rappel down the face of Mount Rushmore National Memorial in Keystone, S.D., Thursday, to unfurl a banner that challenges President Obama to show leadership on global warming. Obama is at the G8 meeting in Italy to discuss the global warming crisis with other world leaders.

Community notebook

Safe at home — after 4 tours in Iraq

'God has taken care of him'

He came home on one holiday and his family celebrated on another.

Staff Sgt. Charles Sykes Jr., the son of Charles Sr. and Hazel Sykes of Kankakee, completed his fourth combat tour of Iraq and landed back in the United States on Mother's Day.

And on the Fourth of July, 150 friends, neighbors and members of the Sykes family gathered at their home on South Myrtle in Kankakee to thank the soldier, to congratulate him and to wish him well on his safe return.

It was a rainy, drizzly day, but the fellowship inside was warm. A magnificent spread of ribs, spaghetti, pork and beans and macaroni salad was tucked inside the garage.

"We're very proud to have him home," mom Hazel said. "We're proud of the way he helps others. He was always a good person to begin with, but the Army made him a better person."

Sykes, 29, joined the Army in 2001, the year after graduating from high school. He had attended Steuben School in Kankakee's Riverview neighborhood, King Middle Grade School, Kankakee Junior High and Kankakee High School. He transferred to Brooklyn Park, Minn., though, earning his high school diploma from there.

Today in the service, he rose to oversee the maintenance of wheeled vehicles at Tallil Air Base. He was in charge of maintaining the Humvees there and also trained Iraqi army personnel on their use and maintenance.

"They appreciate everything we are doing for them," Sykes said of the Iraqis. He's friendly enough with the Iraqis that they have taken him on tours of the Ziggurat of Ur, a more than 4,000-year-old religious pyramid near Nasiriyah.

This was his second tour at Tallil, he said, where the main threat came from roadside bombs outside the perimeter. His previous two-yearlong tours included duty in Baghdad and Tikrit.

"Baghdad was the worst," he said. "Mortars every day."

But Sykes is far from discouraged with the Army. He plans on staying in as a career. His next assignment will take him to Fort Belvoir, outside Washington, D.C. That assignment means at least three additional years before going back to Iraq, he said.

That will be a relief for his own family, wife



The Daily Journal/Phil Angelo

Staff Sgt. Charles Sykes Jr. is seen with members of his family. He holds son Soli, and daughter Isyss is in front. At right are his parents, Hazel and Charles Sykes Sr. His family on Myrtle Avenue in Kankakee held a celebration to mark his safe return from a fourth combat tour in Iraq.

Tuuaina; daughter Isyss, 3; and son Soli, 2. Their current address is Killeen, Texas, outside Fort Hood.

The Fourth of July event showered Sykes with certificates of goodwill, along with the formidable meal. State Rep. Lisa Dugan, D-Bradley, in attendance, brought a congratulatory resolution from the Illinois House of Representatives. New member of Congress Debbie Halvorson awarded Sykes a certificate of her own. The City Council of Kankakee approved a resolution, signed by Mayor Nina Epstein. A number of friends, together with veterans' organizations, gave Sykes a plaque. Jim and Kathy Ryan, both active with Post 85 of the American Legion, gave Sykes a gym bag full of goodies, part of Mom's Cookies, a goodwill mission that hopes to send bags to all of the 160 members in Sykes' unit.

"I was proud he went," said dad Charles Sr., himself a Navy veteran who served on the USS Boston. Today Charles Sr. is a GNB Battery retiree.

Charles said he was a worrier, but also a prayer.

"God has taken care of him," he said.

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Dr. Ken Johnston
COLUMNIST

Cap and trade

Opposing opinions in their own words

More of the same will not solve problem of energy independence

By Debbie Halvorson

Member of Congress
11th District of Illinois

It's time we get America running on clean energy. Rising gas prices, utility bills, and the environmental and national security consequences of our reliance on foreign oil are all major reasons our current energy policy needs to change.

I voted for the recently passed, bipartisan American Clean Energy and Security act because this legislation will reduce our reliance on foreign oil and create jobs. By investing in clean energy and energy efficiency, our country can lead the world in innovation and economic growth.

For anyone who grew up in the 1970s and stood in line at the gas station during the oil crisis, the need to end our reliance on foreign oil should hit home. Never again, we swore, would we be at the whim of oil dictators. We said the same thing in 2008 when gas prices rose over \$4 a gallon.

While I favor an "all of the above" energy solution that would include more drilling, this isn't enough to keep Americans from feeling the fluctuations of oil prices, and it doesn't improve the air we breathe. This legislation will move our country toward innovative, clean, renewable energy produced right here at home.

Under this legislation, polluters have an incentive to reduce dangerous emissions, while consumers and energy-intensive industries will receive offsets in the form of refunds and allowances to protect jobs. As your representative, I stood up against my party's leadership for further provisions to protect consumers, manufacturing, and agriculture.

Consumers are protected from increased costs under this bill. The estimated cost is approximately \$15 per month per household, and this figure doesn't include estimated savings of over \$1,000 per household by 2020 generated by energy efficiency savings from appliances and other upgrades to homes. In fact, an estimated 41,000 households in the 11th District will see lower costs than they do today due to consumer protection provisions in this legislation, which are based on income levels.

American manufacturing is also protected under this legislation. Energy-intensive and trade-exposed industries are not covered until 2014, and then are given free

allowances to prevent price spikes. There will be an increased demand for items like wind turbines, which take 250 tons of steel and 8,000 parts to manufacture. We've also done this before. The 1990 Clean Air Act used a similar emissions limiting program to successfully curb acid rain, and the 1990s saw economic growth and an increase in manufacturing jobs. Furthermore, the bill is deficit neutral and doesn't increase our debt.

Farmers are not under an emissions cap and many will have the opportunity to benefit under this bill. Rural communities will be able to generate new income through emissions reduction programs and an enhanced role for biofuels. To further evaluate this legislation, I spoke with constituents and businesses throughout the district. I held energy roundtables and visited wind farms, a biofuels facility, a nuclear facility and a hydro electric facility to see first hand the progress the 11th District has made in alternative energy. I also met with several higher education institutions across the district that have new programs to train workers for the next generation of clean energy jobs. Also, 72 percent of electricity produced in the 11th is clean, nuclear power.

It's clear — the innovative people of the 11th District have done much to prepare us to run on clean energy, and now it's time for Washington and the rest of the country to follow our lead. Support for this legislation was not unanimous, but it was bipartisan and strong. We're simply not going to reduce our reliance on foreign oil and create clean-energy jobs by following a "more of the same" approach that has led us where we are today. We must have the courage to lead. For these reasons I voted for this bill, and although it's not perfect, it stands to get America running on clean energy and create the types of jobs that lead to economic growth and position America as the world's leader in clean energy innovation.

You may call Halvorson at (202) 225-3635, write to 1541 Longworth HOB, Washington DC 20515, or visit halvorson.house.gov to sign up for her newsletter.



The Daily Journal/Michelle Gannon
U. S. Representative
Debbie Halvorson

A hidden energy tax that will 'skyrocket' prices, Obamas said in campaign

By Phil Kerpen

Policy Director
Americans for Prosperity

Washington wants to hand Illinois a huge new tax bill. The "cap-and-trade" scheme at the core of the energy tax bill recently passed by the U.S. House of Representatives would have an enormous negative impact on the state. Some studies show Illinois could lose as many as 150,000 jobs.

U. S. Representative Debbie Halvorson voted for this bill, but for the sake of their state, Sens. Roland Burris and Dick Durbin need to vote no.

The cap-and-trade scheme is a huge new tax in disguise — a tax on energy that will drive up the price of nearly everything in the country. Take President Obama's own word for it. He told the San Francisco Chronicle last year: "Under my plan of a cap-and-trade system, electricity rates would necessarily skyrocket."

His plan to auction off allowances for the use of fossil fuels is essentially an energy tax where nobody knows the tax rate in advance. Companies bid against each other at a government-run auction, and the company that loses gets shut down by the EPA — so it's high-stakes.

Unfortunately, this idea went from bad to worse in the House. Instead of auctioning the permits, most of them will be given away based on political considerations — that's how they got enough votes to squeak the bill through on a 219-212 vote.

Sen. Barbara Boxer (D-Calif.) candidly explained how this works:

"There's so much revenue that comes in from a cap-and-trade system that you can really go to a person in a congressional district and get enough votes there by saying, 'What do you need? What do you want?' You can really help them."

All those permits — worth billions — being given away for free are good news for the corporations that will get the windfall, but they do nothing to soften the blow of higher energy prices for consumers. As environmental economists Kristen Sheeran and James Barrett have explained, it's like buying World Series tickets from a scalper, who doesn't charge you any less if he found them on the ground. They explained:

"Of course, the scalper would much rather get his tickets for free — and that's precisely the point. Polluters are financially much better off if permits are given away instead

of auctioned, but the cost of cutting emissions and the resulting effect on energy prices will be the same no matter how the permits are delivered."

That's why Exelon supports the bill, because they stand to make a fortune from it. CEO John Rowe estimates that for every \$10 increase in the price of cap-and-trade permits, Exelon's annual revenues will increase by \$750 million. He apparently believes, correctly, that they will be able to raise their rates considerably.

That means you pay more. A lot more. Not just for electricity. Same thing for gasoline, diesel, anhydrous ammonia, and lots of other things.

The National Association of Manufacturers estimated the impact of a similar ver-



The Daily Journal/Lisa Pesavento
From left, Phil Kerpen, director of policy of Americans For Prosperity; Gary Baise, an agricultural attorney from Washington, D.C.; Ron Gidwitz, chairman of the Illinois Coalition for Jobs Growth and Prosperity; and Bill Kristol, a FOX News television commentator, make up a panel of noted guest speakers at the Kankakee Regional Chamber of Commerce rally Tuesday evening at the Space Center in Kankakee.

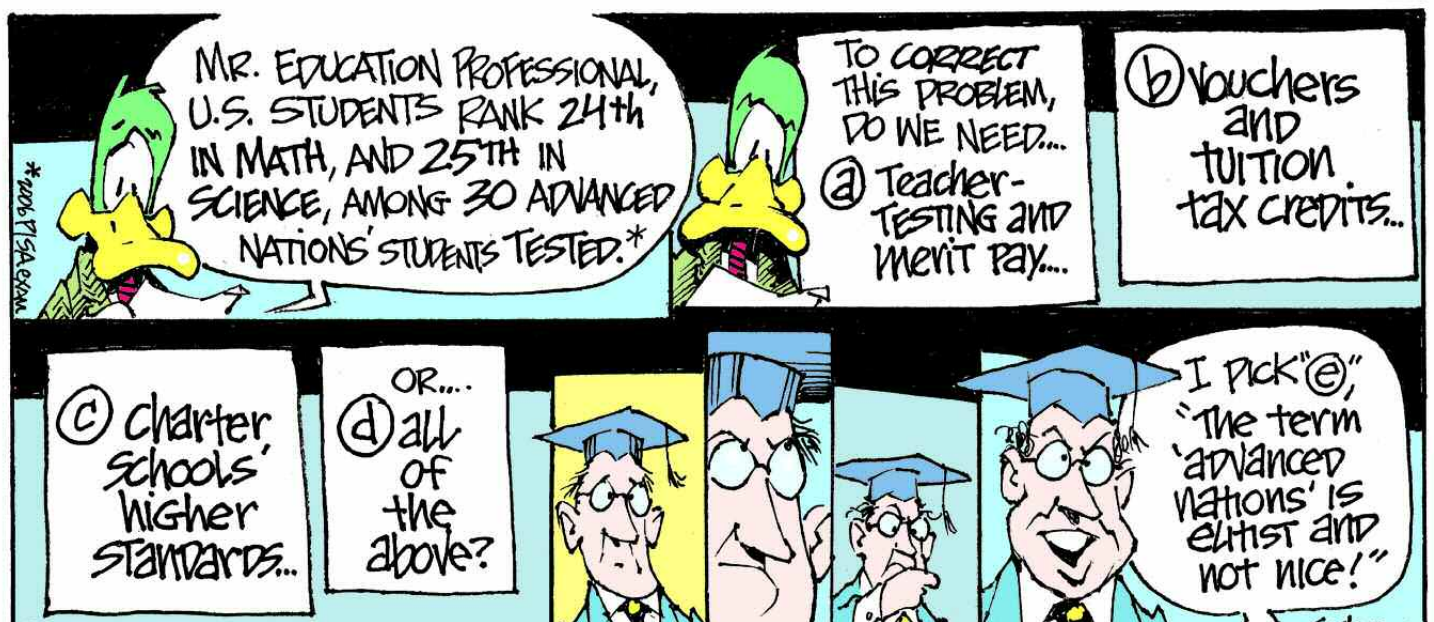
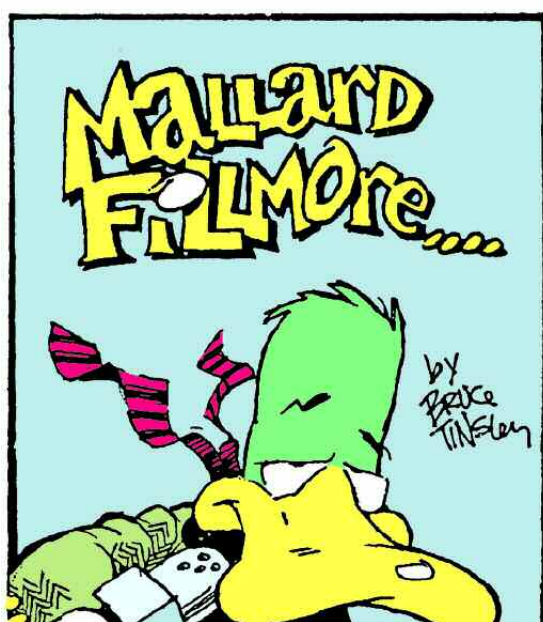
sion of the scheme last year. They found that Illinois could lose 156,917 jobs by 2030, and annual household disposable income would decline by an astonishing \$8,434 during the same period, a result of struggling to pay Obama's "necessarily skyrocketing" prices.

And what do we gain environmentally? Basically, nothing. Cap and trade failed to reduce emissions in Europe. And even if emissions targets were met, climate models show the reductions would have no detectable impact on global temperatures.

In fact, it could very well increase emissions. Even the Environmental Protection Agency has warned that cap and trade "can cause domestic production, which embodies the greenhouse gas allowance price, to shift abroad, which would result in an increase in greenhouse gas emissions."

Mr. Kerpen is director of policy at Americans for Prosperity, a national grassroots organization dedicated to educating and training citizens to be advocates for limited government and lower taxes. He can be reached through www.philkerpen.com.

Political humor



DOONESBURY

BY GARRY TRUDEAU

