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Financing Issues Key

By [Robert J. Shapiro](#)

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There are critical areas of potential compromise and agreement IN energy policy between the White House and congressional Republicans, especially involving natural gas and nuclear power. Whether they can actually agree on a mutually-acceptable way to finance such initiatives will depend on whether they can agree on much larger financing issues. In particular, the funding for these matters could be rolled into a meeting of partisan minds on medium and long-term deficit reduction.

Given the rhetoric of party leaders and the political bases of those parties, the current partisan divide would seem to preclude compromise and agreement on larger climate policy issues. But there is a powerful third factor in play here as well: The EPA is working busily under a legally-mandated schedule to begin to directly regulate greenhouse gases. That prospect might just drive enough Republicans to take some serious, early steps on climate in exchange a suspension of the EPA climate regulatory process, with White House cover for the Democrats. With this impetus, both sides might be able com...

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such an agreement for both sides, it's unlikely unless the two sides – or are there three? – have established a working relationship by compromising and agreeing on other issues they will certainly consider more urgent, especially taxes and the larger budget.