

# "Cash for Caulkers" Bill Passes House

## \$6 Billion Bill Mandates Rebates for Renovating Homes to Save Energy; Still Needs Senate Approval



A superinsulated home with foam insulation placed on the outside of the walls and on top of the existing roof. (Martin LaMonica/CNET Networks)

(AP) Homeowners could collect thousands of dollars in Cash for Caulkers rebates for renovating their homes with better insulation and energy-saving windows and doors under a new economic stimulus bill the House passed Thursday.

The Home Star bill, passed 246-161, would authorize \$5.7 billion over two years for a program that supporters - mostly Democrats - said would have the added benefits of invigorating the slumping construction industry and making the earth a little cleaner.

"Home Star is that solid investment that's going to achieve that hat trick of energy savings for the homeowner, of moving toward a cleaner environment and of creating jobs here at home," said bill sponsor Peter Welch, D-Vt.

Republicans overwhelmingly opposed the bill, and they were able to attach a condition that it would be terminated if Democrats do not come up with a way to pay for it.

The measure has come to be dubbed Cash for Caulkers, a takeoff on the popular 2009 Cash for Clunkers initiative that rewarded people for replacing gas-guzzling vehicles with more fuel-efficient models.

President Barack Obama has promoted the bill, which also needs Senate approval.

The initiative is separate from an energy tax credit of up to \$1,500 that was included in last year's economic stimulus act. That credit for energy efficiency improvements runs through the end of this year.

Supporters estimate that 3 million households would make use of the new program, saving \$9.2 billion in energy costs over a 10-year period. They said it would create 168,000 jobs, mainly in the recession-hit construction industry.

"Nearly one in four workers in the home construction and services industry has been laid off," said Energy and Commerce Committee chairman Henry Waxman, D-Calif. "Passing Home Star says, 'Help is on the way.'"

Republicans were more skeptical, saying the price tag was too high at a time of mounting federal debts.

"We are going to authorize \$6.6 billion of money we don't have so we can caulk homes?" asked House Republican leader John Boehner of Ohio.

"This is not a terribly bad bill, but it has one fatal flaw: It is not paid for," said Rep. Joe Barton of Texas, top Republican on the energy committee. Democrats argued that the issue of paying for the legislation will come later in the budgetary process, when Congress approves annual spending bills.

Republicans succeeded at the end of the debate in altering the bill to say it will be terminated if it is found to drive up the federal deficit, a provision that will force Democrats to come up with an offset. The Republicans also were able to alter the legislation so that the rebates would go directly to homeowners. In the original version, homeowners were to receive a discount or rebate from a retailer or contractor, who then would apply for payment from the government.

Waxman said Republicans picked up Democratic votes for that final GOP motion - 178 of 245 voting Democrats backed it - by including several "gimmicks" that could be used against lawmakers in future elections, such as a provision that contractors in the program must ensure that they don't have sexual predators on their payroll. He said some of the GOP-backed changes would be dealt with when the House and Senate work out a final version.

In debate on the bill, Republicans questioned whether the government can run the rebate

program fairly and effectively. They said a \$4.7 billion weatherization program that was part of last year's economic stimulus act has been slow to provide grants to states.

The Cash for Clunkers program, too, had some problems. An Associated Press study last November found that the program was commonly used by people turning in old pickups for new trucks that got only marginally better gas mileage.

Under Home Star, rebates or discounts would be provided to homeowners at the time of sale. The retailer or contractor then would submit documentation to a processing office which would verify the information and forward the request to the Energy Department for payment.

To prevent fraud, the program would require licensing for all participating contractors and a certain percentage of projects would be inspected.

The bill has two parts: The Silver Star program provides upfront rebates of up to \$3,000 for specific energy-efficient improvements in homes, such as installing energy-efficient appliances or duct sealing, insulation or new windows or doors.

A Gold Star program would entitle people to up to \$8,000 when they conduct comprehensive energy audits and implement measures that reduce energy use throughout their homes by more than 20 percent.

The bill has the backing of a wide spectrum of environmental and business groups.

"There is strong evidence that temporary, targeted incentive programs like Home Star can generate jobs, investment and economic growth," National Association of Manufacturers president John Engler said at a hearing in March.

With House passage, the bill moves to the Senate, where it most likely will be attached to the next jobs bill.

The legislation also would approve \$600 million over two years for grants to states for programs to replace mobile homes with more energy efficient models.

The original bill included \$6 billion for the rebate program plus the \$600 million for the state grants. The Republicans were able to remove \$324 million targeted for a Home Star loan

program.

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