

Support a Cleaner Environment? Cap-and-Tax is Still Not for You

It Won't Work

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Reduces Emissions by Only Hundredths of a Single Degree: H.R. 2454, touted as necessary to stop global warming, would set aggressive emission reduction targets, mandating that by 2050, CO₂ levels in the U.S. be reduced by 83 percent below 2005 levels—making U.S. emission levels similar to those in 1907—when the primary mode of transportation was horseback. Despite H.R. 2454's aggressive targets these reductions are anticipated to slow temperature increases by merely hundredths of a single degree Fahrenheit by 2050, and no more than two tenths of a degree by the end of the century, according to a [climate modeling](#) study by Chip Knappenberger of the World Climate Report.

Without India and China? Without the cooperation of developing countries like China (the world's largest emitter of greenhouse gases) and India (expected to increase emissions by 104 percent between 2006 and 2030) no real reduction in global temperature can be attained. According to an MIT study, whose authors generally support cap-and-tax proposals, "With rapid growth in developing countries, failure to control their emissions could lead to a substantial increase in global temperature even if the U.S. and other developed countries pursue stringent policies." China and India have repeatedly warned that they have no intention of restricting their emissions. According to a Chinese government spokesman, "[I]t is natural for China to have some increase in its emissions, so it is not possible for China in that context to accept a binding or compulsory target."

National Energy Tax: CBO confirms that H.R. 2454 imposes a national energy tax on every household in the U.S. CBO also assumes the benefit of a massive redistribution of wealth in the form of liberal spending programs and glosses over regional disparities. Other independent estimates conclude that the cost of such a tax on families is well into the thousands of dollars. Almost every provision in the bill increases the cost of energy directly. Even the President admits that for a cap-and-tax program to work electricity rates must "necessarily skyrocket."

Shifts Jobs to China and India: The bill would result in an enormous loss of jobs that would ensue when U.S. industries are unable to absorb the cost of the national energy tax and other provisions, likely sending jobs overseas. There is little debate that the tax would outsource millions of manufacturing jobs to countries such as China and India. According to the independent Charles River Associates International, H.R. 2454 would result in a "net reduction in U.S. employment of 2.3 million to 2.7 million jobs each year of the policy through 2030," even after the creation of new green jobs.

Higher Gas Prices: An American Petroleum Institute report shows that the "cost impacts [H.R. 2454] could be as much as 77 cents for gasoline, 83 cents per gallon of jet fuel and 88 cents for diesel fuel." The Heritage Foundation has estimated that as a result of these increased prices the average household will cut consumption of gasoline by 15 percent while forcing a family of four to pay \$596 more in 2035, and \$7,254 more between 2012 and 2035. This bill would also result in an increase in air travel and cargo costs—since fuel expenses have historically ranged from 10 percent to 15 percent of operating costs for U.S. passenger airlines. Finally, H.R. 2454 would significantly impact the U.S. trucking industry. A one-cent increase in the average price of diesel alone costs the trucking industry an additional \$390 million in fuel expenses. If diesel prices are not kept in check this would likely have a significant effect on the movement of goods across the country and a detrimental impact on economy.

Global Bailout: Between 2012 and 2019, H.R. 2454 would send \$302 billion in taxpayer wealth overseas for climate change adaption, clean technology, and forest protection in countries such as Brazil.

Unfairly Targets Rural America: H.R. 2454 targets farms and rural Americans. Rural residents spend 58 percent more on fuel and travel 25 percent farther to get to work than Americans living in urban areas. According to a Heritage Foundation economic analysis of H.R. 2454, farm income would drop \$8 billion in 2012, \$25 billion in 2024, and over \$50 billion in 2035—decreases of 28 percent, 60 percent, and 94 percent, respectively. Importantly, 25 percent of U.S. farm cash receipts come from agriculture exports. U.S. farmers would be at a severe disadvantage compared to farmers in nations which do not have a cap-and-tax system and correspondingly high input costs. Over 100 State and national agricultural groups oppose the bill.

Does it really make sense to eliminate between 2.3 million to 2.7 million jobs each year and force families, farmers, and drivers to pay higher power bills, higher heating and cooling bills, higher food and goods prices and higher gasoline and diesel prices, all for the promise of slowing temperature increases by merely hundredths of a single degree Fahrenheit by 2050. The answer clearly is **NO**.

Currently, the following groups are opposing the bill: National Federation of Independent Business, U.S. Chamber of Commerce, American Farm Bureau Association, The Fertilizer Institute, American Farmers and Ranchers, Florida Chamber of Commerce, and the National Corn Growers Association.