

Cap and trade would be nothing more than a job killer



by Randy Bright <http://www.tulsabeacon.com/?p=2644#more-2644>

The American Clean Energy Security Act of 2009 (H.R. 2454), otherwise known as the Waxman-Markey bill or the “cap and trade” bill, is a tax bill that, if passed, will be devastating to our economy.

The stated purpose of this bill (which was 1,500 pages long and was rushed through the House without anyone reading it) is to reduce CO₂ levels in the atmosphere and to reduce the effects of global warming. This would be done over a 40-year period, starting with a 3 percent reduction below 2005 levels of CO₂ by the year 2012, then 17 percent by 2020, 42 percent by 2030, and 83 percent by the year 2050.

Regulated industries, especially power plants that burn fossil fuels, would be allowed an allowance of CO₂ emission that once exceeded (the cap), would require the power plant to purchase, from the federal government, credits that were unused from other regulated industries (the trade) in order to exceed emission allowances.

This is very similar to the terms of the Kyoto Treaty which allows undeveloped countries a high allowance of pollution credits and developed countries a very low allowance. Developed countries must purchase credits from undeveloped countries, effectively creating a system of wealth transfer. The United States never ratified the treaty, but many European countries did. Spain is one example that, according to Ben Lieberman of the Heritage Foundation, “has been cited repeatedly as the example of a successful clean energy economy and source of green jobs, but it is rarely mentioned that Spain currently has 18 percent unemployment.”

According to Congressional Budget Office, the cost of the bill would amount to only about \$175 per year per household, but this does not take into account the negative economic impact on the GDP. The Heritage Foundation estimated that the real cost per household by the year 2020 would be \$1,870, and by 2035 it would be \$6,790.

The Heritage Foundation also calculated that during the first 20 years, the total loss to GDP would be \$4.8 trillion, with a job loss in the manufacturing sector at around 3 million. While proponents will argue that the amount of taxes collected under cap and trade will diminish as we switch from fossil fuels to alternative clean energy sources, the fact is that about 85 percent of America's energy comes from fossil fuels, and reliable alternative energy sources that can produce the amount of energy needed are many years away. Even if we had the technology for them now, the funding and the time required to build the infrastructure needed to produce the energy make it unlikely to happen within the next two decades.

This bill is a job killer. It will drive the manufacturing sector to countries like China, who have no plans to abide by the Kyoto Treaty. Aside from the millions of jobs that will be lost, the loss of a manufacturing base and infrastructure poses a security threat to the United States. If we cannot manufacture the goods we need to provide for our own defense, then we will be required to depend on countries like China, which is no defense at all.

The farming industry will suffer as well. According to a Heritage Foundation report, "farming is very energy-intensive, with fuel, chemical, electricity and fertilizer costs; since cap and trade drives up the cost of energy prices..." farm income would drop by \$8 billion in 2012 (a 28 percent loss), and the loss would continue to increase in subsequent years until by 2035 the loss would be \$50 billion, a 94 percent loss.

According to the same report, "the goal of cap and trade is to drive up the costs of energy in order for people to use less of it. Because just about every business uses energy to produce goods and must pay their own electricity bills, the cost of production for businesses increases, and consumer demand falls for two reasons: 1. Price hikes on goods reduce demand, and 2. People have less disposable income due to higher energy prices."

The report makes no mention about the cost of construction, but it is simple to conclude that because every building material has embodied energy costs (to produce, store, transport and install the materials), the price of materials will skyrocket. This will cause a significant drop in commercial and residential construction, which will have a very negative effect on the economy. What is most perplexing about this bill is that anyone with a little common sense can see how bad it is, yet the Obama administration seems determined to force it on the American people anyway. Any legislator who supports or votes in favor of this bill rightfully deserves the ire of the public and should be voted out of office.

©2009 Randy W. Bright

Randy W. Bright, AIA, NCARB, is an architect who specializes in church and church-related projects. You may contact him at 918-664-7957, rwbrightchurcharch@sbcglobal.net or www.churcharchitect.net.

This entry was posted on Thursday, August 13th, 2009 and is filed under [Columns](#).