

Avoid Energy and Global Warming Policies that Pose More Risk than Global Warming

Recommendations:

- Do not enact cap-and-trade legislation or a carbon tax in order to reduce greenhouse gas emissions.
- Do not enact further mandates, subsidies, or incentives for alternative energy technologies or for “green jobs” programs.
- Do not withdraw more federal areas from energy production.
- Do not place regulatory obstacles in the way of building energy infrastructure, including transmission lines, pipelines, coal-fired power plants, nuclear plants, and wind-mills.
- Reject any new international agreement to succeed the Kyoto Protocol that would require mandatory emissions reductions by the United States.
- Do repeal existing mandates, subsidies, and incentives for all types of energy production, efficiency, and conservation.
- Do require the Department of Interior to open federal Outer Continental Shelf areas and the coastal plain of the Arctic National Wildlife Refuge to oil and gas exploration and production.
- Do replace the current depreciation schedules for investments in new capital stock and equipment with immediate expensing.
- Consider responses to potential global warming (or global cooling) that would be more effective and less expensive than mandatory greenhouse gas reductions measures, such as cap-and-trade or a tax.

Although global warming has been described as the greatest threat facing mankind, the policies designed to address global warming actually pose a greater threat. The international and domestic policies to ration carbon-based energy would do—and are doing—little to slow carbon dioxide (CO₂) emissions, but would have enormous costs. These costs would fall most heavily on poor people in this country and on the world’s poorest nations. The correct approach is not energy rationing, but rather long-term technological transformation and building resiliency in developing societies by increasing their wealth.

Since the Kyoto Protocol was negotiated in 1997, atmospheric CO₂ concentrations have increased by over 5 percent. The global mean temperature peaked in 1998 and has since remained flat and now appears to be declining. Precipitate and colossally expensive measures to reduce greenhouse gas emissions are not warranted at this time—and likely never will be warranted.

Per capita carbon dioxide emissions in the United States have remained flat since 1980, according to the Energy Information Adminis-

tration. But the U.S. population has increased by slightly more than 1 percent per year. Population growth means that the U.S. needs more energy, not less.

The European Union (EU) ratified the Kyoto Protocol and has implemented mandatory greenhouse gas reduction programs, but emissions in the EU-15 (the 15 member countries before the recent EU expansions) have risen considerably since Kyoto was negotiated in 1997. The EU's Emissions Trading Scheme has raised energy prices for consumers and producers, but has not yet lowered emissions. Gasoline taxes have been raised to \$3 to \$4 per gallon in most EU countries, yet emissions from transportation continue to increase.

The most thorough economic studies by leading academic economists (who are not global warming skeptics) have found that mandatory emissions reductions add to the total potential costs of global warming. For example, Dr. William Nordhaus, professor of economics at Yale University and one of the world's leading resource economists, concluded that attaining the emissions reductions advocated by former Vice President Al Gore would avert \$12 trillion of the projected costs of global warming impacts, but at a cost of \$34 trillion.

A cap-and-trade program, such as the Lieberman-Warner bill considered and rejected by

the Senate in the 110th Congress, would be the biggest government intrusion in the economy since the rationing system adopted during the Second World War. It would also be the biggest government limitation of, and interference with, people's personal freedoms since that war.

The rapid economic growth in major developing countries has been accompanied by rapid emissions increases. According to several international agencies, total Chinese emissions will soon surpass U.S. emissions. The Chinese government has made it clear that it will not undertake mandatory emissions reductions because it would limit the country's economic growth. Instead, China hopes to be paid by developed nations, and corporations in developed nations, to reduce its emissions.

The economic rise of China and India is lifting hundreds of millions of people out of poverty. Hundreds of millions of more people in poor countries hope to follow down the same path. That requires much more—and much more affordable—energy than can be provided by non-carbon sources, like windmills, solar panels, and nuclear plants. Any successor to the Kyoto Protocol requiring emissions reductions in developing countries would consign billions of people to perpetual poverty.

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