

Avoid Energy and Global Warming Policies that Pose Greater Risks than Global Warming

Global warming has been described as the greatest threat facing mankind, but the policies designed to address global warming actually pose a much 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, not only in the United States, but also in 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. 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 federal Energy Information Administration. Meanwhile, 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 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, Yale economics professor Dr. William Nordhaus, 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 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.

Rapid economic growth in major developing countries has been accompanied by rapid emissions increases. Total Chinese emissions have surpassed U.S. emissions, according to several international agencies. 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 a similar path. That requires much more affordable energy than can be provided by non-carbon sources, like windmills, solar panels, and nuclear plants. Any successor agreement to the Kyoto Protocol requiring emissions reductions in developing countries would consign billions of people to prolonged poverty.

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 close more federal areas for 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 windmills.
- Revoke the federal government's authority to regulate greenhouse gases.
- Reject any new international agreement to succeed the Kyoto Protocol that would require mandatory emissions reductions by the United States.
- Repeal existing mandates, subsidies, and incentives for all types of energy production, efficiency, and conservation.
- 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.
- Replace the current depreciation schedules for investments in new capital stock and equipment with immediate expensing.

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