

The Economic Impact of the Waxman-Markey Cap-and-Trade Bill

The House of Representatives recently passed the Waxman-Markey cap-and-trade bill. However, it is clear that cap-and-trade is a very expensive method to combat “global warming” and amounts to nothing more than an energy tax in disguise, says Ben Lieberman, a senior policy analyst for the Heritage Foundation.

What are those costs?

- Contrary to the flawed analyses being advanced by the bill’s proponents, Heritage estimates that the direct costs would be an average of \$829 per year for a household of four, totaling \$20,000 between 2012 and 2035.
- But when considering the total cost as reflected in the cost of allocations and offsets, the average cost to that family unit would be \$2,979 annually from 2012 to 2035.
- Adding insult and hypocrisy to injury, the bill would hurt the poor the worst because they would bear a disproportionate burden of the higher energy costs the bill would trigger.

Furthermore:

- The bill is also projected to harm the manufacturing sector and cause estimated “net” job losses, averaging about 1.15 million between 2012 and 2030.



- The overall gross domestic product losses would average \$393 billion per year from 2012 to 2035, and the cumulative loss in gross domestic product would be \$9.4 trillion by 2035.
- The national debt for a family of four would increase by \$115,000 by 2035.

[Source.](#)



Quotable Notes

“It will affect every aspect of the American economy, harming our ability to compete in the world and provide secure and affordable energy to American consumers and businesses,” the National Mining Association said in a statement regarding the recently passed the Waxman-Markey cap-and-trade bill.



“No Regrets” Warming Solutions

Global warming is a reality, but many proposed solutions would be “much more costly to society than the danger it seeks to avert,” according to H. Sterling Burnett, a senior fellow with the National Center for Policy Analysis. It would be far better to institute “no regrets” programs that would prove beneficial whether or not human activities are creating a global warming problem without sacrificing living standards.



Here are 10 of them:

- Eliminate all subsidies for fuel use.
- Reduce regulatory barriers to new nuclear power plants.
- Reduce wildfires through alternative forest management institutions.
- Liberalize approval of biotechnology.
- Repeal the National Flood Insurance Program.
- Increase use of toll roads with congestion pricing.
- Remove older cars from the road.
- Reform air traffic control systems.
- Remove regulatory barriers to innovation.
- Encourage breakthrough in new technology. [Source.](#)