

The Waxman-Markey bill to restrict carbon dioxide emissions would cost \$846 billion in the next decade alone, in the form of required payments for emissions allowances, according to a June 5 report from the Congressional Budget Office.

The bill has been approved by the U.S. House of Representatives and is pending action in the Senate.

The CBO findings support statements, by both critics and supporters of the bill, noting consumers will pay higher energy prices if carbon dioxide restrictions are imposed on the American public.

"Government likes cap-and-trade because it is a hidden, or indirect, tax for which industry, rather than Congress or the president, will get the blame when energy prices rise," said Drew Thornley, an adjunct scholar with the National Center for Policy Analysis.

"The public gets smacked twice--once by higher food and fuel prices and a second time by having to pay for those unemployed by the bill," said Thornley.

In addition, Thornley observes, "The increased unemployment benefits will require cuts to other programs, higher taxes, or bigger deficits."

Rep. Rob Bishop (R-UT), chairman of the congressional Western Caucus, says Rep. Henry Waxman (D-CA) is not truly concerned about the effects of the bill on energy prices or jobs.

"Right now, many Americans are making the responsible decision to cut back on expenses and tighten their belts in order to weather these challenging economic times," Bishop said. "Yet Democrats in Congress refuse to adopt that same type of fiscal restraint. Instead, they remain more steadfast than ever in their commitment to excessive spending habits--habits bankrolled by the hardworking American taxpayer.

"Cap-and-trade captures the very essence of the Democrat tax-and-spend model that continues to wage war on the American pocketbook," Bishop added. "This national energy tax will discourage job creation, drive up energy costs, derail energy independence, and diminish domestic supply. And yet, there is no sound scientific evidence that proves these policies will bring about effective and measurable change other than job loss and increased costs. This is not the kind of change Americans need, and it's surely not the kind of change I support."

Several amendments were offered by the Republican minority in an effort to lessen the bill's impact on jobs.

Rep. Mike Rogers (R-MI) offered an amendment that would have suspended the emission caps in the United States if China (the world's biggest greenhouse gas emitter) and India did not adopt similarly stringent emission caps. Every Democrat voted against the proposal.

Rep. Fred Upton (R-MI) proposed suspending the act if unemployment reaches 15 percent, and Rep. Tim Murphy (R-PA) offered an amendment suspending the act if 10,000 steel jobs were lost. Democrats rejected both amendments.

Republicans also offered several amendments to contain energy price hikes.

Roy Blunt (R-MO) offered an amendment to suspend the emission caps if electricity prices rose in any region by more than 10 percent after inflation. Lee Terry (R-NE) offered an amendment suspending the act if gasoline prices rose above \$5.00 per gallon. Those amendments, too, were rejected.

Despite its June 26 approval in the House on a 219-212 vote, the bill's fate is uncertain. Its narrow margin of victory in the House may indicate trouble in the Senate, where tougher sailing has been predicted.

Many Democrats, particularly in the nation's heartland, warn they may not be able to support it because it is too extreme.

"I think there's more likely to be compromises this year, because everyone understands the economy is in such a fragile condition that you don't want to pass anything that's going to ... have the opposite impact [from what] we're trying to have on the stimulus," said Sen. Claire McCaskill (D-MO) according to Greenwire on June 29. "We don't want to work against ourselves here in terms of job creation."

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<http://www.jbs.org/jbs-news-feed/5265-waxman-markey-bill-would-raise-electricity-prices-846-billion?tmpl=component&print=1>

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