

WebMemo



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Five Reasons the EPA Should Not Attempt to Deal with Global Warming

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On April 17, the Environmental Protection Agency (EPA) issued an endangerment finding, saying that global warming poses a serious threat to public health and safety. Thus, almost anything that emits carbon dioxide and other greenhouse gases could be regulated under the Clean Air Act. This is the first official action taken by the federal government to regulate carbon dioxide.

The endangerment finding is the initial step in a long regulatory process that could lead to the EPA requiring regulations for almost anything that emits carbon dioxide. Automobiles would likely be the first target, but subsequent regulations could extend to a million or more buildings and small businesses, including hospitals, schools, restaurants, churches, farms, and apartments. The following five reasons explain why this would be a big, costly mistake.

1. It's an Economy Killer. Above anything else, any attempt to reduce carbon dioxide would be poison to an already sick economy. Even when the economy does recover, the EPA's proposed global warming policy would severely limit economic growth.

Since 85 percent of the U.S. economy runs on fossil fuels that emit carbon dioxide, imposing a cost on CO₂ is equivalent to placing an economy-wide tax on energy use. The Heritage Foundation's Center for Data Analysis study of the economic effects of carbon dioxide cuts found cumulative gross domestic product (GDP) losses of \$7 trillion by 2029 (in inflation-adjusted 2008 dollars), single-year GDP losses exceeding \$600 billion in some

years (in inflation-adjusted 2008 dollars), energy cost increases of 30 percent or more, and annual job losses exceeding 800,000 for several years. Hit particularly hard is manufacturing, which will see job losses in some industries that exceed 50 percent.¹

High energy costs result in production cuts, reduced consumer spending, increased unemployment, and ultimately a much slower economy. But importantly, higher energy prices fall disproportionately on the poor, since low-income households spend a larger percentage of their income on energy.

2. Negligible Environmental Benefit. The extraordinary perils of CO₂ regulation for the American economy come with little, if any, environmental benefit. In fact, analysis by the architects of the endangerment finding, the EPA, strongly suggests that a 60 percent reduction in carbon-dioxide emissions by 2050 will reduce global temperature by 0.1 to 0.2 degrees Celsius by 2095.²

Some environmental alarmists believe saving the environment should come at any cost, but when the benefit is barely noticeable, such an extreme viewpoint still cannot be justified.

3. Lack of Scientific Consensus. The decision to regulate carbon dioxide and five other greenhouse

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gases was supported by supposed compelling scientific evidence. For example, EPA administrator Lisa Jackson “relied heavily upon the major findings and conclusions from recent assessments of the U.S. Climate Change Science Program and the Intergovernmental Panel on Climate Change [IPCC].”³ Additionally, the EPA cited harmful impacts including increased droughts, floods, wildfires, heat waves, and sea level rises as a result of climate change. But the reality is that natural disasters are just that—they occur with or without global warming.

The scientific consensus behind global warming, especially the seriousness of the impacts, is anything but strong. Last December, the U.S. Senate Minority released a report that included 650 dissenting scientists refuting claims made in the IPCC report.⁴ That number has grown to over 700, more than 13 times the number of scientists (52) who had a direct role in the IPCC report.

4. Backdoor Policy. The United States Congress has been reluctant to pass any global warming legislation or engage in international climate reduction treaties. Last year’s most noted global warming legislative proposals was S. 2191, the America’s Climate Security Act of 2007, originally sponsored by Senators Joe Lieberman (I-CT) and John Warner (R-VA).

This cap-and-trade bill would have set a limit on the emissions of greenhouse gases, especially carbon dioxide from the combustion of coal, oil, and natural gas. A number of concerns existed, chief among them the impact on already-soaring gasoline prices, and consequently the bill was withdrawn by its Senate supporters after only three days of debate.

While some Members of Congress undoubtedly

support the EPA’s attempt to curb global warming, the fact that unelected and unaccountable EPA bureaucrats are trying to bypass legislative efforts makes it all the more objectionable.

Equally indefensible is any attempt to use the threat of EPA regulations to induce Congress into enacting a cap-and-trade bill it would not support otherwise. Members should not be forced to prematurely pass a bill without fully understanding its effects and consequences.

5. Expanded Bureaucracy. Having EPA bureaucrats micromanage the economy, all in the name of combating global warming, would be a chilling shift to a command-and-control system in which EPA officials regulate just about every aspect of the market.

Beyond the costs of such actions, the red tape and permitting delays are almost unfathomable. Though the Administration recently enacted a stimulus bill and touted “shovel ready” construction projects to boost the economy, EPA regulations would essentially assure that a great deal of such economic activity would be held up for months, if not years.

For instance, the National Environmental Policy Act (NEPA) requires federal agencies to file environmental impact statements for EPA review before moving forward with projects. According to the Government Accountability Office, normally it takes a federal construction project an average of 4.4 years to complete a NEPA review. Along with the Clean Water Act’s Section 404 requirements, before a shovel can break ground, it could take 5.6 years for a project to jump through all the normal environmental hoops.⁵ Granting the authority for one of

1. David Kreutzer and Karen A. Campbell, “CO₂-Emission Cuts: The Economic Costs of the EPA’s ANPR Regulations,” Heritage Foundation *Center for Data Analysis Report* No. 08-10, October 29, 2008, at <http://www.heritage.org/Research/EnergyandEnvironment/cda08-10.cfm>.
2. David Kreutzer, “The Economics of Cap and Trade,” testimony before the Ways and Means Committee, U.S. House of Representatives, September 18, 2008 at <http://www.heritage.org/cda/upload/KreutzerTestimonyTrade.pdf>.
3. U.S. Environmental Protection Agency, “Overview of EPA’s Proposed Endangerment and Cause or Contribute Findings for Greenhouse Gases under the Clean Air Act,” April 17, 2009 at <http://epa.gov/climatechange/endangerment/downloads/Determination.pdf> (April 23, 2009).
4. Marc Morano, “UN Blowback: More Than 650 International Scientists Dissent over Man-Made Global Warming Claims,” U.S. Senate Committee on Environment and Public Works, December 10, 2008, at http://epw.senate.gov/public/index.cfm?FuseAction=Minority.Blogs&ContentRecord_id=2158072e-802a-23ad-45f0-274616db87e6 (April 23, 2009).

the largest and unprecedented regulatory undertakings in U.S. history would greatly expand the EPA's power.

The kind of industrial-strength EPA red tape that routinely imposes hundreds of thousands, if not millions, of dollars in compliance costs could now be imposed for the first time on many commercial buildings, farms, and all but the smallest of businesses. Not only would these costs and delays hamper the private sector, but the paperwork could paralyze federal and state environmental regulators, drawing resources away from more useful endeavors.

A Dangerous Step. The EPA's official announcement commences a 60-day public comment⁶ period before the agency issues a final ruling. Using the Clean Air Act to regulate CO₂ would likely be the most expensive and expansive environmental regulation in history and will bypass the legislative process completely. In essence, the decisions of few will drastically alter the lives of many—all for a change in the Earth's temperature too small to ever notice.

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5. U.S. Department of Transportation, Federal Highway Administration, "Evaluating the Performance of Environmental Streamlining: Development of a NEPA baseline for Measuring Continuous Performance," at <http://www.environment.fhwa.dot.gov/strmlng/baseline/section2.asp> (April 23, 2009).
6. omments can be submitted at StopEPA.com, (<http://www.stopepa.com>).