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Government's Light Bulb Ban Is Just Plain Destructive

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The forthcoming death of the incandescent bulb in favor of compact fluorescent bulbs (CFLs) has been met with consumer frustration and unnecessary job losses. Repealing the bulb ban would be a welcome victory for consumer choice that should carry over to other needless energy efficiency provisions.

What Has Really Happened? In 2007, Congress passed an energy bill that placed stringent efficiency requirements on ordinary incandescent bulbs in an attempt to phase them out beginning in 2012 and have them completely gone by 2014. The goal of the program is to replace incandescent bulbs with more expensive but more energy-efficient bulbs, the most popular currently being CFLs. Politicians used a distorted view of “creative destruction” mixed with global warming concerns to sell the regulation. They said it would create jobs, save consumers money, increase domestic security, and reduce greenhouse gas emissions.

But the politicians, as they typically do, failed to see the unintended consequences of this program. For example, CFLs use high levels of mercury, and exposure to mercury vapor is dangerous if the bulbs are broken.¹ Hospitals and medical charities warn that CFL bulbs cause migraines and epilepsy attacks.² Other critics point out that CFLs do not work well in colder temperatures, so they emit less heat, forcing Americans to use their heaters more and negating some of the energy savings.³ CFLs do not work well with dimmer switches, and the lifespan of the bulb diminishes when turned off and on frequently. Consumers are now hoarding incan-

descent bulbs in preparation for their phase-out as a result of their dissatisfaction with CFLs.

The latest attack is the unnecessary job losses from traditional incandescent manufacturers in the United States. After already closing factories in Kentucky and Ohio, General Electric recently announced that it is closing its major incandescent factory in Winchester, Virginia—a factory that employed 200 people and the last major incandescent manufacturing facility in the United States.⁴

The jobs likely replacing those put out of work by the government will be in China. The U.S. imports CFL bulbs because the process of making CFLs is labor intensive, and labor in China is comparatively much cheaper.⁵

As a result of the federal bulb ban's unintended consequences, several Members of Congress are working to repeal it. Representatives Joe Barton (R-TX), Michael Burgess (R-TX), and Marsha Blackburn (R-TN) introduced the Better Use of Light Bulbs (BULB) Act last week, which would repeal Subtitle B of Title III of the Energy Independence and Security Act of 2007—the phase out of the incandescent bulb.

Congresswoman Blackburn emphasized, “Washington banned a perfectly good product and fired

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hard-working Americans based on little more than their own whim and the silly notion that they know better than the American consumer. Now, hundreds more Americans are looking for work while assembly lines in China are churning out fluorescent bulbs for the U.S. market.”⁶

Creative Destruction or Just Plain Destructive? The economic theory of “creative destruction” is important when understanding the value innovation has on long-term economic growth. Popularized by Austrian economist Joseph Schumpeter, the theory says that the short- and long-term benefits of entrepreneurial activity and competition far outweigh the short-term losses caused by a new product replacing an old one. Audiotape makers may lose their jobs to the makers of compact discs, who may lose their jobs to a new technology in the future.

When it occurs organically, it is a process that begets economic progress and benefits the consumer. But when forced on businesses and consumers by the federal government, it does far more harm than good.

The government’s light bulb ban is far from Schumpeter’s model of creative destruction. Simply put, it is economic ignorance. If consumers really wanted to buy fluorescents rather than cheaper incandescent light bulbs, they would purchase them without a government ban. And while China would likely produce these cheap imports with or without a mandate, the difference is that the govern-

ment’s ban unnecessarily kills American jobs by manipulating the market.

In this case, a mix of special interest politics and concern that energy use in the U.S. is producing too much greenhouse gas emissions resulted in needless regulations and mandates. The CFL mandate, rather than being an innovation valued in the marketplace, will result in consumers being forced to accept a product they do not want.

The other common cry for almost any energy mandate is that it would improve America’s energy security and this nation will rely less on foreign sources of energy. But the impact of banning the traditional bulb on energy security will be negligible, since electricity comes almost entirely from secure domestic sources, such as coal. Petroleum generates approximately 1 percent of domestic electricity.⁷

A Slippery Slope Attacking Consumer Choice.

The attack on the incandescent bulb is just one item in a laundry list of government regulations and mandates attempting to promote conservation. Energy efficiency standards already exist for vehicles, appliances, and buildings, and recently introduced legislation calls on the Secretary of Energy to identify additional appliances and equipment that “have significant national energy savings potential” to be included for future performance standard mandates.

All of these mandates have unintended consequences that their advocates fail to foresee, includ-

1. Alex Johnson, “Shining a Light on Hazards of Fluorescent Bulbs,” MSNBC, April 7, 2010, at <http://www.msnbc.msn.com/id/23694819> (September 22, 2010).
2. David Derbyshire, “Lights Go Out as Britain Bids Farewell to the Traditional Bulb Despite Health Fears About Eco-Bulbs,” *Daily Mail* January 6, 2009, at <http://www.dailymail.co.uk/sciencetech/article-1105785/The-end-light-know-Britain-bids-farewell-traditional-bulb-despite-health-fears-eco-alternative.html> (September 22, 2010).
3. CBC News, “Efficient Lighting Equals Higher Heat Bills: Study,” March 4, 2009, at <http://www.cbc.ca/canada/manitoba/story/2009/03/04/mb-light-bulbs.html> (September 23, 2010).
4. Peter Whoriskey, “Light Bulb Factory Closes; End of Era for U.S. Means More Jobs Overseas,” *The Washington Post*, September 8, 2010, at <http://www.washingtonpost.com/wp-dyn/content/article/2010/09/07/AR2010090706933.html?hpid=topnews> (September 22, 2010).
5. *Ibid.*
6. Press release, “Barton, Burgess and Blackburn Introduce Bill to Repeal Light Bulb Ban,” House Energy and Commerce Committee Republicans, September 16, 2010, at <http://republicans.energycommerce.house.gov/news/PRArticle.aspx?NewsID=8038> (September 22, 2010).
7. U.S. Energy Information Administration, *Electric Power Annual* (2010).

ing increased energy use.⁸ If consumers want a product, the market is capable of providing it.

When the government picks winners and losers, it reduces the incentive for companies to innovate and increases the incentive for companies to lobby the government for special handouts and protections. When the government creates specific mandates and regulations, it purposely narrows the path businesses can take. These policies distort normal market forces and encourage government dependence.

Repeal the Bulb Ban, But Do Not Stop There.

Repealing the bulb ban would reverse what has been a long regulatory attack on the American consumer. Producers and consumers do not need government mandates and subsidies to be more energy efficient. If being energy efficient saves consumers money or reduces costs for businesses, they do not need the government mandates or the taxpayers' help.

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8. Jeffrey Tsao *et al.*, "Solid-State Lighting: An Energy Economics Perspective," *Journal of Physics D: Applied Physics* (forthcoming).