



MAKE NO MISTAKE: “CAP-AND-TRADE” IS A TAX

The Hidden Costs: Obama’s Energy Scheme Means Higher Prices, Fewer Jobs

Obama: “[The bill is] paid for by the polluters who currently emit dangerous carbon emissions.” (President Barack Obama, Remarks On Energy Legislation, The White House, 6/25/09)

THE TRUTH: SO-CALLED “CAP-AND-TRADE” SCHEME A HARD-HITTING TAX ON ALL AMERICANS

CBO Says National Energy Tax Will Hit Consumers, Not Corporate Profits. “Under a cap-and-trade program, firms would not ultimately bear most of the costs of the allowances but instead would pass them along to their customers in the form of higher prices. Such price increases would stem from the restriction on emissions and would occur regardless of whether the government sold emission allowances or gave them away.” (CBO Senior Advisor Terry Dinan, “The Distributional Consequences of a Cap-and-Trade Program for CO2 Emissions,” [Testimony Before The Subcommittee On Income Security And Family Support House Committee On Ways And Means](#), 3/12/09)

Even Obama Admits Plan Would Make Energy Prices “Skyrocket” For Consumers. Obama: “When I was asked earlier about the issue of coal, you know, under my plan of a cap and trade system, electricity rates would necessarily skyrocket. Even regardless of what I say about whether coal is good or bad. Because I’m capping greenhouse gases, coal power plants, you know, natural gas, you name it, whatever the plants were, whatever the industry was, uh, they would have to retrofit their operations. That will cost money. They will pass that money on to consumers.” (Sen. Barack Obama, Interview with San Francisco Chronicle Editorial Board, 1/17/08)

New York Times’ Thomas Friedman: “Cap-And-Trade” Supporters Use Proposal To Hide Fact That It’s A Tax. “Advocates of cap-and-trade argue that it is preferable to a simple carbon tax because it fixes a national cap on carbon emissions and it ‘hides the ball’ -- it doesn’t use the word ‘tax’ -- even though it amounts to one.” (Thomas L. Friedman, “Show Us The Ball,” [The New York Times](#), 4/8/09)

Chicago Tribune Editorial: Every American Affected By National Energy Tax. “Democratic leaders need to slow down. This proposed legislation would affect every American individual and company for generations. There’s a huge amount of money at stake: \$845 billion for the federal government in the first 10 years ... This requires careful study, not a Springfield-style here’s-the-bill-let’s-vote rush job.” (Editorial, “Too Big, Too Fast,” [The Chicago Tribune](#), 6/25/09)

Denver Post Editorial: Costs Of “Cap-And-Trade” Will Be Passed On To Consumers, Hurt America’s Global Economic Competitiveness. “The debate on such a transformative issue ought to continue and broaden. How is it possible the 1,200-page American Clean Energy and Security Act is being rushed through Congress in a repeat of what happened with the stimulus package? Has anyone read this one? ... Fashioned to avoid appearing like a new tax, the measure nevertheless would work like one, as the higher costs of meeting the caps get passed on to consumers. The measure risks hurting our competitiveness globally without effectively lowering global greenhouse gases.” (Editorial, “Cap And Trade Is Wrong Solution,” [The Denver Post](#), 6/26/09)

Congressman John Dingell (D-MI): Cap-And-Trade = “Great Big” Tax. “Nobody in this country realizes that cap and trade is a tax. And it’s a great big one.” (Rep. John Dingell, House Energy and Commerce Committee and House Science Committee, [Joint Hearing](#), 4/24/09)

Warren Buffet Says National Energy Tax Will Hurt Poor Americans. “I think if you get into the way it was written, it's a huge tax and there's no sense calling it anything else. I mean, it is a tax. And it's a fairly regressive tax. If we buy permits, essentially, at our utilities, that goes right into the bills of the utility customers and an awful lot of people in Iowa, in Oregon, and Utah, and places where we are, very poor people are going to pay a lot more money for electricity ...” (Warren Buffett's Live Lunch Interview on CNBC, [CNBC's Power Lunch](#), 6/24/09)

Rep. Parker Griffith (D-AL) Knows National Energy Tax Will Hurt Energy Providers, Constituents. “This legislation would cripple Alabama utilities with high and swift taxes, forcing them to choose between going out of business or passing the cost onto Tennessee Valley consumers.” (Rep. Parker Griffith, “Griffith Votes No On Energy Bill,” [Press Release](#), 6/26/09)

HOW HARD WILL AMERICANS BE HIT BY NATIONAL ENERGY TAX?

“Cap-And-Trade” Would Cost Each American Household \$899 Next Year Alone. (Douglas Elmendorf, “More on the Estimated Costs to Households of a Cap-and-Trade Program,” [Congressional Budget Office's "Director's Blog," Blog](#), 6/25/09; U.S. Census Bureau, Current Population Survey, 2008 Annual Social and Economic Supplement)

- **CBO “Estimates That The Equivalent Cost Of Allowances And Offsets Would Be Roughly \$105 Billion In 2010.”** (Douglas Elmendorf, “More On The Estimated Costs To Households Of A Cap-And-Trade Program,” Congressional Budget Office's "Director's Blog," Blog, 6/25/09)
- **U.S. Census Bureau Estimates There Will Be 116,783,000 U.S. Households In 2010.** (U.S. Census Bureau, Current Population Survey, 2008 Annual Social and Economic Supplement)

Brookings Institution Says “Cap-And-Trade” Will Cause Job Losses. “A report issued by the left-leaning research organization said that if Congress passes something similar to President Obama's or the House's proposed plan, the economy would take the biggest hit around 2025. ... the net job loss would be 0.5 percent over the first 10 years that the legislation is in effect.” (Amanda DeBard, “Study: Cap And Trade Would Hurt Economy,” [The Washington Times](#), 6/9/09)

National Black Chamber of Commerce Finds National Energy Tax Will Harm Economy, Cause Unemployment And Reduce Wages. “[C]ap-and-trade system outlined in bill would: reduce national GDP roughly \$350 billion below the baseline level; cut net employment by 2.5 million jobs (even after accounting for new ‘green’ jobs), reduce earnings for the average U.S. worker by \$390 per year.” (“NBCC Study Finds Waxman-Markey Reduces GDP by \$350 Billion: New study finds Waxman-Markey could cost 2.5 million U.S. jobs by 2030 and reduce earnings,” [Press Release](#), National Black Chamber of Commerce, 6/24/09)