



JEFFERSON
COUNTY
CHAMBER OF
COMMERCE
200 POTOMAC BOULEVARD
PO BOX 1047
MOUNT VERNON, ILLINOIS 62864
618-242-5725
WWW.SOUTHERNILLINOIS.COM

BOARD POSITION

Jefferson County Chamber of Commerce Opposes H.R. 2454

The Board of Directors of the Jefferson County Chamber of Commerce P.O. Box 1047; Mount Vernon, Illinois 62864 opposes HR 2454 and related bills H.R. 587 and H.R. 2998, which propose “to create clean energy jobs, achieve energy independence, reduce global warming pollution and transition to a clean energy economy.”

The Jefferson County Chamber of Commerce Board of Directors understand that small businesses are focused on keeping their doors open, maintain their workforce, and paying their bills; these businesses are not asking for new energy mandates or a new energy tax. In the 2010 White House budget, President Barack Obama calls for a sweeping cap and trade program that would raise \$646 billion in new revenues. Now is not the time to cripple economic growth with an aggressive expansion of government mandates. Mandates that would:

- **Raise Energy Costs.** While different nuanced approaches continue to surface, any analysis of any cap and trade scheme comes to the same conclusion; energy costs will go up. The America’s Climate Security Act of 2007 (Lieberman/Warner) while in Senate hearings held by the Committee on Environment and Public Works estimated the costs to the average American household would be between \$800 and \$1,300 by 2015.
- **It doesn’t help the Environment.** An article in the [Christian Science Monitor](http://www.csmonitor.com/2008/0716/p09s02-coop.html) www.csmonitor.com/2008/0716/p09s02-coop.html “By turning carbon emissions into commodities that can be bought and sold, cap-and-trade policies could remove the stigma from producing such emissions.” If industries understand they are working within a legal framework when they output carbon, the public pressure for them to cut down is weakened. Evidence of this can be seen in Europe where most countries have seen carbon emissions go up, even though the European Union has had a cap and trade regime in place since 2005.
- **It is a hidden regressive tax.** [The Congressional Budget Office](http://www.cbo.gov/ftpdocs/8027/04-25-Cap_Trade.pdf) www.cbo.gov/ftpdocs/8027/04-25-Cap_Trade.pdf “As energy prices go up in the form of higher gasoline, heating oil, and electricity, the poor are hit hardest with what is in effect a hidden regressive tax.

- **It will cost American's jobs.** An analysis conducted by Charles River Associates in 2007 estimated anywhere from 1.2 million to 2.3 million jobs would be lost under cap and trade legislation.
- **It doesn't work where it has been tried.** The Heartland Institute www.heartland.org reports that 12 of the 15 European Union nations taking part in the 1997 Kyoto Protocol, a program that sets greenhouse gas reduction targets and serves as a precursor to cap and trade, are failing to meet their reduction targets with three going over more than 10% and another three going over by more than 20%. In fact, emissions for all EU countries went up on average of 2.1%.
- **It threatens to put the United States at a competitive disadvantage with other countries.** Industrial giants China and India are not buying into cap and trade like the EU and United States have. www.dawn.com. In addition these countries and others are more than willing to pick up the U.S. slack and bolster their already robust manufacturing sectors.
- **Cap and Trade opens the door for massive fraud and corruption.** From the British based Guardian www.guardian.co.uk "Britain's biggest polluting companies are abusing a European emissions trading scheme (ETS) designed to tackle global warming by cashing in their carbon credits in order to bolster ailing balance sheets." In a report by The Competitive Enterprise Institute <http://cei.org/gencon/> that discusses Enron's support for a cap and trade scheme that would allow them to dominate this new, made-up market for carbon.
- **It threatens to bust the federal budget at a time when the United States can scarcely afford it.** The Congressional Budget Office reports that government would face the same challenges with higher energy costs that consumers do. Additionally, the fall in production for U.S. industry would lead to a loss of federal government tax revenues. Further increasing spending while decreasing revenues makes cap and trade a tough sell in the current economic climate.

Conclusion: Whereas; it is the understanding of the Jefferson County Chamber of Commerce that HR 2454 has been placed on the Senate Calendar under General Orders. The Jefferson County Chamber of Commerce, 550 members strong, would like to go on record opposing this legislation as another, in a never ending challenge to obstruct the ability of small business to control its own destiny in a free market.

The Jefferson County Chamber of Commerce Board of Directors voted unanimously on this 23rd day of July 2009 in opposition to Cap and Trade legislation.

Reference:

www.Freedomworks.org – Congressional Budget Office – Thomas Library of Congress