



## ATR Energy Tax Hike Series

### *Review of Waxman-Markey*

U.S. Representatives Waxman (D-CA) and Markey (D-Mass.) recently introduced the “Clean Energy Act”. This bill sets the unrealistic goal of decreasing the CO2 emissions rate 83% below the 2005 level by 2050. The bill seeks to lower CO2 emissions through several provisions that are riddled with tax increases and costly federal mandates. Below are just some of ATR’s concerns:

- The Markey-Waxman “Cap-and-trade” program imposes a tax on producers’ carbon emissions that will have devastating economic effects.
  1. The Heritage Center for Data Analysis projected that in 2016 the Cap-and-trade program will cost the loss of 200,000 to 900,000 American jobs.
  2. **ATR strongly opposes** Cap-and-Trade because it is the largest tax increase since the proposal of income tax and will cost the average American household an extra \$1,600 annually.
- The Markey-Waxman Federal Renewable Electricity Standard is a mandate requiring electric providers to derive a certain amount of their production from renewable resources.
  1. From 2012- 2015, the annual percentage of renewable resources providers must use will be 6% to 8.5%; 2016- 2020: 11% to 17.5%; 2021- 2024: 17.5% to 23%; 2025 to 2039: 25%.
  2. The high costs this mandate inflicts on providers will be passed onto their customers, drastically raising energy prices.
- The bill’s mandated increase of Corporate Average Fuel economy (CAFE) for vehicles increases costs and diminishing consumer choices.
  1. CAFE forces automakers to produce smaller and lighter cars. The National Highway Traffic Safety Administration (NHTSA), estimated that these lighter cars will increase American traffic fatalities by almost 40,000.
  2. **ATR strongly opposes** this standard because it will cost both lives and money. CAFE will cost American drivers more than \$6.71 billion between 2010 and 2011.
- Subtitle B – “Lighting and Appliance Energy Efficiency Programs” is an invasive, unrealistic, federal mandate that requires manufactured homes, appliances, and lighting to be “energy efficient”.
- The “Smart Grid Advancement” inclusion of “Smart-Grid Features in Appliances Rebate Program” writes a blank check from taxpayers’ wallets to fund the rebate program, and contains no definitive monetary language to restrict federal spending.
- The “Proposed Allowance Allocation” of Markey-Waxman claims to “protect consumers from energy price increases” but the marginal percentage of allowances given to “Low-and moderate-income” households pales in comparison to the overall cost of the Markey-Waxman “Clean Energy Act”.

722 12<sup>th</sup> Street N.W.

Fourth Floor

Washington, D.C.

20005

T:(202)785-0266

F:(202)785-0261

[www.atr.org](http://www.atr.org)