

Knowing of your interest in issues pertaining to our economic well-being, I wanted to inform you of the very detrimental impacts that "cap and trade" [legislation](#) being proposed by the House Democrat leadership and President Obama would have on our Northern California economy. Put simply, "cap and trade" is a new tax on energy consumption, which would be extremely harmful to everyone who uses energy -- from families to small businesses, to family farms and ranches.

By way of brief background, a cap and trade system would require a government-mandated limit - a "cap" - on the amount of carbon dioxide that can be emitted by a certain entity -- such as a refinery, electric utility, or manufacturing facility. That entity would then have to either implement expensive emissions control technology, or purchase - "trade" - carbon permits from an offset market for emissions in order to comply with the cap. Proponents of "cap and trade" argue that it offers free market incentives, but in reality it is an artificial, government-mandate that in practice would dramatically increase costs to American businesses. In turn, they would pass these additional compliance costs on to consumers, thus creating a substantial new national energy tax on American families.

Energy is the driving force of our economy. Therefore any proposal that attempts to restrict energy use is going to cost jobs and restrict economic growth in the process. We got a taste of this last year, when the record high energy prices during the summer caused energy consumption to fall 2.1 percent according to the Energy Information Administration. This decrease in consumption resulted in greenhouse gas emissions falling by 2.8 percent. By comparison, the Democratic bill wants to decrease these emissions by 83 percent. The Heritage Foundation, a think tank in Washington, has estimated that this bill alone would reduce U.S. GDP by \$9.6 trillion and cost an average of 1.1 million jobs every year.

While I certainly believe that we should take every practical measure to reduce GHG emissions, it is equally important that such action does not place undue harm on our economy, particularly during times of recession. I believe that we should allow the true free market to tackle climate change by giving our businesses, consumers, and industry every incentive to develop and utilize the alternative energy technologies that will lead to significant reductions in GHG emissions. Market-oriented solutions will come sooner and at less cost than federally mandated regulations and government bureaucracy.