

RESOLUTION ON CAP-AND-TRADE

WHEREAS, Cap-and-Trade is regulatory program under which the Federal government would 1) set a limit (cap) on the volume of carbon emissions that would be permitted, and 2) distribute the rights to allowed emissions so that firms would be free to buy and sell those allotments after initial distribution; and

WHEREAS, Cap-and-Trade is a huge tax on our natural energy resources including coal, oil and natural gas, totaling \$846 billion in the first 10 years, according to the Congressional Budget Office; and

WHEREAS, the goal of Cap-and-Trade is to make carbon based energy much more expensive, as clearly stated by President Obama when he said:

“Under my plan of a cap and trade system electricity rates would necessarily skyrocket. Businesses would have to retrofit their operations. That will cost money. They will pass that cost onto customers,” and

WHEREAS, before becoming Energy Secretary, Steven Chu told the Wall Street Journal in September 2008, “Somehow we have to figure out how to boost the price of gasoline to the levels of Europe;” and

WHEREAS, Cap-and-Trade may bankrupt the coal industry – one that employs thousands of Americans – as President Obama stated:

“So, if somebody wants to build a coal plant, they can – it’s just that it will bankrupt them, because they are going to be charged a huge sum for all that greenhouse gas that’s being emitted,” and

WHEREAS, Cap-and-Trade will dramatically affect American farmers; it is estimated this legislation will cause farm income to drop 94 percent, or over \$50 billion, by 2035; and

WHEREAS, the cost for hard-working American families will be staggering, totaling \$890 per family per year according to the Congressional Budget Office, and at least \$1,218 per average annual household burden, or approximately two percent of the average household income; and

WHEREAS, these huge costs per family will fail to accomplish environmental goals because climate models and environmental groups show that the reductions would have little or no detectable impact on global average temperatures; and

WHEREAS, under a Cap-and-Trade system, once carbon emissions allowances are distributed, entities will be free to buy and sell allowances, creating a billion dollar commodity and derivatives market subjecting energy prices to Wall Street speculation and market volatility; and

WHEREAS, Cap-and-Trade could increase greenhouse gas emissions, as the cost of complying with the legislation could force companies to move their industrial operations to countries with inferior pollution control technology. Dan DiMicco, the CEO of Nucor Steel, America's largest steel manufacturer, said the cap and trade tax would mean his company would close U.S. plants, shifting production to China. Making a ton of steel in China results in five-times greater emissions of greenhouse gases than to produce that same ton of steel in the U.S. and loses jobs at a time when we cannot afford it; and

WHEREAS, the Waxman-Markey bill expands the realm of the Federal government over energy utilities and manufacturers, establishes new Federal agencies, and allocates tax payer funds to be handed out at the discretion of the EPA Administrator and the Secretary of Energy; therefore be it

RESOLVED, that we, the members of the Republican National Committee, recognize that Cap-and-Trade is a tax on energy that falls on hard-working American families and that the cost of this tax greatly exceed any benefit, especially in this time of economic crises; and be it further

RESOLVED, that we urge the US Senate to vote no on Cap-and-Trade and Congress as a whole to reject all efforts to use global warming as a pretext to increase federal revenues; and be it further

RESOLVED, that we support the use of all energy sources that will reduce carbon emissions, especially nuclear, clean-coal and renewable energy technologies; and be it further

RESOLVED, that we support measures like the American Energy Innovation Act, a Republican-sponsored bill that aims to expand our domestic energy production with responsible stewardship over the environment; and be it further

RESOLVED, that this Resolution will be mailed to each congressional Republican and Republican state party.

Adopted by the Republican National Committee, July 31, 2009