



Save the Dates!

The **Annual Meeting** and Dinner of the Washington Chapter of Republicans for Environmental Protection will be on **Saturday, September 20**, in the central Puget Sound area – most likely in Bellevue. Details will be coming shortly!

REP's 13th Annual Conference – with the theme “The Lay of the Land: Where do we go from here?” – will be held in **Orlando, Florida on November 8**. Details forthcoming!

Washington Chapter Endorses Toby Nixon for State Representative

Toby Nixon (www.tobynixon.com) was endorsed to be the next state representative for the 45th District by the Executive Committee of the Washington Chapter at its July meeting. Among other things, Toby has done an outstanding job of working on the Hanford cleanup issue.

Other candidates seeking REP endorsement should contact Bob Batty for details on the chapter endorsement policy.

How does Cap and Trade work in reducing greenhouse gasses?

Lloyd Flem (WA REP Secretary) provided some excellent introductory background on Cap and Trade in the May and June newsletters. This summary gets further into “How It Works.”

The “Cap” is easy. A public agency, as directed by an elected legislative body (Congress) sets limits on a substance (such as CO₂) that industries may emit in a given time period. This cap ensures that industry-produced CO₂ decreases over time. The carbon tax, a strategy favored by some, does not so ensure, as industries may just choose to pay the tax and pass the costs to consumers; aggregate CO₂ would not necessarily decrease. (To be fair, a carbon tax is “simple”; cap and trade is more complex in operation).

The “Trade” is where the marketplace comes in. The public agency would allocate or auction off “rights” or “permits” to produce an amount of CO₂, the aggregate total to decrease over time. Efficient or innovative operations could reduce CO₂ cheaply and then sell their “excess” permits to plants that would find major CO₂ reduction more costly than buying the permits from the efficient producers. Industries would thus have the flexibility of investing in cleaner technology *or* investing in CO₂ emission permits. Innovation and business freedom is encouraged while the total volume of greenhouse gasses decreases. These CO₂ emission permits could be bought, sold, and traded, like other commodities. Since both efficient (at reducing CO₂ emissions) or inefficient plants would seek to reduce their total costs (by either investing in efficiency technology or buying

permits), the total costs to all producers would be less than if each firm had to reduce CO₂ by an identical amount, *and* total industry-caused CO₂ could be reduced by whatever was the publicly mandated amount. (See example in [Union of Concerned Scientists "Catalyst" publication, Spring 2005](#))

Would this work? The 1990 Clean Air Act, utilizing cap and trade, greatly reduced sulfur dioxide (SO₂), the major component of forest-destroying acid rain, at a much lower total cost than the nay-sayers had predicted. Certain kinds of air pollutants with mostly localized impacts might better have more direct per-site limits, rather than be subject to a broad market approach. But CO₂, the effects of which are broad and cumulative rather than immediately dangerous, lends itself well to a cap and trade strategy.

John McCain fully supports Cap and Trade as a conservative environmental protection measure.

Best regards,

Bob Batty

Chapter President

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