

WebMemo



Published by The Heritage Foundation

No. 1408

March 26, 2007

\$6.00 Per Gallon Gas: Not High Enough To Fight Global Warming?

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It is hard to say which is scarier—apocalyptic global warming scenarios or the economic impact of some of the proposals designed to prevent them. A recent European Environment Agency (EEA) study reported that greenhouse gas emissions from motor vehicles continue to rise due to increased driving, despite heavy motor fuel taxes that boost prices above \$6.00 per gallon. Even with gas prices that are more than two times those in the U.S., Europe is falling short of its global warming goals. If \$6.00 a gallon gas is not high enough to discourage European drivers, then what would it take to make U.S. drivers cut back? Those who support legislative efforts like increased gas taxes to combat global warming should come clean to the American people about their proposals' likely impacts on Americans' wallets.

Motor Vehicles and Global Warming. The release of carbon dioxide, a natural constituent of the atmosphere and the byproduct of all fossil fuel combustion, has at least some warming effect on the planet. Approximately one third of man-made carbon dioxide emissions come from transportation—primarily cars and trucks, but also rail, air, and sea transport. The rest comes from electricity generation, commerce and industry, and residences. Thus, any serious attempt to reduce carbon dioxide emissions cannot ignore motor vehicles.

The nations comprising the European Union (EU) signed on to the 1997 Kyoto Protocol, the multilateral treaty to combat global warming by reducing carbon dioxide emissions. Under this agreement, they are required to reduce their emis-

sions 8 percent below 1990 levels by 2008. The U.S. has not ratified the treaty, due to concerns over compliance costs and the exemptions granted to China, India, and other developing nations.

Gasoline taxes were higher in Europe than the U.S. even before Kyoto and currently average nearly \$4.00 per gallon, bringing the pump price well above \$6.00.¹ In comparison, gasoline in the U.S. is subject to federal taxes of 18.4 cents per gallon and varying state and local taxes, for a total of 42 cents per gallon on average. The current average price for regular gas in the U.S. is \$2.58 per gallon.

\$6.00 Is Not Enough. The British, Germans, French, Belgians, Dutch, and Italians are now shelling out \$6.55, \$6.45, \$6.21, \$6.44, \$7.09, and \$6.24 per gallon, respectively, for premium gas.² Nonetheless, they are driving *more*, not less. According to EEA's "Transport and Environment: On The Way To A New Common Transport Policy," miles driven and driving-related carbon emissions are on the rise. "Emissions have increased continuously both for passenger transport (increase of 27% from 1990 to 2004) and for freight transport (increase of 51% between 1990 and 2003)," the report concludes.

This paper, in its entirety, can be found at:
www.heritage.org/research/energyandenvironment/wm1408.cfm

Produced by the Thomas A. Roe Institute
for Economic Policy Studies

Published by The Heritage Foundation
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Although this outcome has stumped policymakers, it is not irrational. Joel Schwartz, visiting fellow at the American Enterprise Institute, believes that “despite the costs of owning and operating an automobile, people choose automobiles the world over because no other form of transportation comes anywhere close to providing comparable speed, flexibility, privacy, and convenience.”³ Even at \$6.00 per gallon, many Europeans—whose per capita incomes are lower than those in the U.S.—are willing to cut back on other things rather than cut back on driving.

Most EU nations are not on track to meet their Kyoto targets because of increasing carbon emissions, and “the main reason for increases between 1990 and 2004 was growing road transport demand,” notes EEA. EEA expects the upward trend in driving to continue.

But sharp declines would be needed for the Europeans to have any chance of coming into compliance with Kyoto. “We cannot deal with the increasing GHG [greenhouse gas] emissions... without dealing with the increasing traffic across the spectrum: on our roads and railways, in the air and by sea,” says Jacqueline McGlade, Executive Director of the EEA.

In other words, taxes that pushed the price up above \$6.00 a gallon are still not nearly enough to comply with Europe’s global warming agenda.

Although the U.S. is not a party to the Kyoto Protocol, several bills introduced in Congress seek to

replicate Europe’s strategy of setting limits on carbon dioxide emissions.⁴ Proponents of these bills are big on bluster about saving the earth but are sketchy as to the cost, especially the price per gallon it would take to get vehicle emissions in line with their emissions targets. But in order to meet their stringent targets, gasoline usage will have to decline substantially, and if \$6.00 per gallon is not high enough to accomplish that in Europe, then what would it take in the U.S.? And why are some of the very same legislators who complained about \$3.00 a gallon gas last summer supporting measures that could boost the price far higher than that?

All Economic Pain, No Environmental Gain?

The reality that clamping down on carbon dioxide emissions will not be cheap is beginning to dovetail with another reality: Global warming is not nearly as serious a threat as some have made it out to be. Virtually everything the public has been told about global warming that sounds scary is not true, and what is true is not particularly scary. Fears of substantial sea level rise from melting polar ice caps, increased hurricanes and other weather disasters, and a wider spreading of malaria and other tropical diseases are proving to be exaggerations and are not part of any scientific consensus.⁵ To the contrary, evidence is building that the consequences will likely be modest.

For example, despite claims of a possible 18 to 20 foot sea level rise in Al Gore’s documentary and book *An Inconvenient Truth*, the latest United Nations summary report on global warming esti-

1. U.S. Energy Information Administration, Weekly Retail Premium Gasoline Prices, at www.eia.doe.gov/emeu/international/gas1.html.
2. *Ibid.*
3. Wendell Cox, Alan Pisarski, and Ronald D. Utt, eds., *21st Century Highways* (Washington, D.C.: The Heritage Foundation, 2005) p. 46.
4. See S. 309 (Global Warming Pollution Reduction Act), S. 485 (Global Warming Reduction Act), and H.R. 620 (Climate Stewardship Act).
5. See, e.g., Curtis E. Larson and Inga Clark, “A Search For Scale In Sea-Level Studies,” *Journal of Coastal Research*, Vol. 22, No. 4 (2006), pp. 788–800; N.A. Morner, “Estimating Future Sea Level Changes from Past Records,” *Global and Planetary Change*, Vol. 40, No. 1 (2004), pp. 49–54; Curt Davis et al., “Snowfall-Driven Growth in East Antarctic Ice Sheet Mitigates Recent Sea-Level Rise,” *Science*, Vol. 308 (June 2005), pp. 1898–1901; Philip J. Klotzbach, “Trends In Global Tropical Cyclone Activity Over The Past Twenty Years (1986–2005),” *Geophysical Research Letters*, Vol. 33 (2006), p. L10805; Roger A. Pielke, Jr., et al., “Hurricanes and Global Warming,” *Bulletin of the American Meteorological Society*, Vol. 86 (November 2005), pp. 1571–1575; Kunkel et al., “Temporal Fluctuations In Weather And Climate Extremes That Cause Economic And Human Health Impacts: A Review,” *Bulletin of the American Meteorological Society*, Vol. 80 (1999), pp. 1077–1098; P Reiter et al., “Global Warming and Malaria, A Call For Accuracy,” *Lancet Infectious Diseases*, Vol. 4 (June 2004), pp. 323–324.

mates a rise of only 7 to 23 inches over the next century, and some scientists dispute the plausibility of the high end of that range. The low end of that range is comparable to the rate of change over the last century, which has occurred with few if any adverse effects.

Overall, the threat of global warming is worth addressing, but it is far from being a crisis warranting a “money is no object” approach.

Further, even if the U.S. were part of the Kyoto Protocol and even if its European counterparts were meeting their targets, the treaty would, according to

proponents, avert an inconsequential 0.07 degrees Celsius of warming by 2050.⁶

Conclusion. Supporters of congressional efforts to restrict carbon dioxide emissions should come clean with the American public about the price tag. Given the failure of \$6.00 gas to help Europe’s global warming agenda, that price tag is likely to be astronomical.

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6. Thomas Wigley, “The Kyoto Protocol: CO₂, CH₄ and Climate Implications,” *Geophysical Research Letters*, Vol. 25, No. 13 (1998), pp. 2285–2288.