



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

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JEC Releases New Study on Tradable Pollution Emissions

WASHINGTON, DC -- Joint Economic Committee Chairman Jim Saxton (R-NJ) will be releasing a study on July 9th entitled [Tradable Emissions](#) which reviews the value of an emissions trading system as an element of regulatory reform in the area of environmental protection.

"This study emphasizes the need to use the power of markets as a tool for reducing the cost of pollution abatement," said Saxton. "It explains the kinds of policies which are necessary to regulate the discharge of emissions at least cost, thereby encouraging economic growth, minimizing job loss, and lowering production and consumer costs."

Emissions trading systems reduce the cost of pollution abatement by using the market for emissions to find the lowest cost points for reducing emissions. Each emission source is required to reduce levels of pollutants to a specific point, but reductions beyond that point generate extra credits which can be sold in the emissions market. Because emissions reduction costs can vary from source to source, this trading system encourages additional reductions by those sources with less cost.

Saxton predicted, "I believe that the success of the acid rain tradable emissions program in the Clean Air Act Amendments of 1990 provides a sufficient measure of success to encourage the further use of tradable emissions in the future as we address more costly pollution problems."

In addition to helping control the acid rain problem at lowest possible cost, tradable emissions have been used by the Federal and state governments to reduce the cost of controlling smog-producing chemical pollutants.

Due to the excessive regulatory burden imposed by the traditional command-and-control approach, economic needs dictate the use of tradable emissions systems. Opportunities for employing tradable emissions lie with new and more stringent regulations for ozone and fine particles soon to be proposed by the U.S. Environmental Protection Agency.

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