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BTU tax will help state's economy, environment



President Bill Clinton's economic package could improve the environment in several important ways. His plan would phase out below-cost timber sales on public lands, restructure grazing fees on public lands, provide more money for public transportation and encourage the development of environmental technology. Perhaps the most environmentally important, and controversial, aspect of the Clinton plan calls for an energy tax based on British Thermal Units, or BTUs.

A BTU is a measure of energy. One BTU is the amount of energy needed to raise the temperature of 1 pound of water 1 degree Fahrenheit. BTUs can be used to measure any type of energy. The energy capacities of coal, gasoline, oil, electricity, wood and natural gas can all be measured with BTUs.

The primary purpose of a national BTU tax is to raise money to cut the deficit, but the tax also would encourage increased energy efficiency. This pay-as-you-use schedule of energy taxation makes sense; the more you waste, the more you pay.

Increased energy efficiency will benefit both the long-term economy and the environmental quality of the country. The United States spends 10 percent of its gross national product on energy, while Germany and Japan each spend only 5 percent. If the United States were to become as en-

ergy efficient as Japan, we could save \$220 billion per year and reduce the need for new power plants.

Increased energy efficiency will help the environment by reducing pollution, including greenhouse gases and chemicals that cause acid rain and smog. We rarely consider the costs of dealing with these side-effects when we buy energy, but they are real costs nonetheless.

"The Clinton administration looked at four kinds of energy taxes: a carbon tax, an oil import fee, a gasoline tax and a BTU tax," Bob Jackson of the Missouri Environmental Improvement and Energy Resources Authority said. "The one that was least expensive to Missouri was the BTU tax. If enacted, the Clinton proposal will cost Missourians \$593 million per year, or \$115 per individual living in the state."

Last year, the EI ERA completed a detailed study of Missouri's energy use, and reported that Missouri uses about 1,103 trillion BTUs of energy each year. That's 10 percent, or \$9.7 billion statewide, of our income spent on energy. To make matters worse, we import more than 90 percent of this energy. So every year, about \$8.7 billion leaves the state to pay for our energy bill — dollars that could be put to good use in Missouri.

A BTU tax will create construction and manufacturing jobs in Missouri by increasing the demand for ener-

gy-efficient buildings, water heaters, refrigerators, insulation, heating and cooling systems, and fluorescent lighting.

About 28 jobs are created for every \$1 million invested in energy efficiency. By comparison, power plant construction creates only 10.1 jobs per \$1 million invested.

Clinton's BTU tax proposals also will promote development of renewable energy sources by exempting wind- and solar-generated power.

The Missouri General Assembly is considering two bills based on recommendations found in the EI ERA report. House Bill 195 would impose energy efficiency standards on new state buildings and would provide a means to upgrade existing structures. House Bill 219 would encourage the development of renewable energy sources and create an Energy Futures Coalition responsible for recommending and overseeing long-term energy policies.

It is clear that a sustainable economic and environmental future for Missouri depends in part on the efficient use of energy. Over the long term, a national tax on BTUs will streamline Missouri's industry, reduce pollution, promote energy efficiency and bolster the economy by keeping more money in the state.

For a summary of the EI ERA report write to: EI ERA, Department of Natural Resources, PO Box 176, Jefferson City, Mo., 65102, or call 1-751-1010.

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