

## A Tea Party Diary

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Last Wednesday on “tax day,” I had the privilege of attending my first Tea Party event. Standing on the steps of the Colorado State Capitol building in Denver, I addressed several thousand people concerning the impact of wrong-headed energy policies on all Americans – especially the minority community. Before I began the substance of my brief remarks, I led the group in an old Civil Rights cheer – “Let Freedom Ring!” You may recall that Martin Luther King, Jr. eloquently articulated the need to let freedom ring in every corner of America. Freedom needs to ring in our environmental policies as well as on Wall Street, Main Street, and your street.

What an encouraging moment it was for Niger Innis, national spokesperson for the Congress on Racial Equality (CORE) - a 68-year old civil rights organization - and myself to be so well received by a group that has strongly been labeled as “racist.” Nothing could be further from the truth. Scores of people thanked Mr. Innis and I for both the information we shared and our presence at the rally.

They recognized that the findings of a new report on the economic and employment impact of current CO2 restrictions endorsed by the EPA will be detrimental to all Americans. The study I am referencing estimates that the US GDP will be reduced by at least \$500 billion over the next two decades by this one factor alone. This translates into the loss millions of jobs over the next 10 years. Third, there will also be a significant reduction in the average household income but it will regressively affect poor and lower middle class families the most.

It is important to remind you that we are calculating are the effects of what would only be the first steps of the current EPA energy policies. Additional programs would most likely create even more dramatic effects. What I am not saying is that there should be no work done in this arena. I am simply saying that the nation must evaluate the results of such policies as CO2 emissions and the impact on the economy. This is especially important because of the economic decline we find the nation in at this moment.

Returning to the study, Management Information Systems expects the impact of basic energy costs to be as follows over the next 15 years:

1. Gasoline prices would go from \$2.80 per gallon to \$4.20 – a 50 percent increase.
2. Residential electricity prices would also increase by 50 percent from 11.4 cents per kWh to 17.1 cents per kWh.
3. There will be a 75 percent increase in industrial electricity prices.
4. Natural gas prices would increase 75 percent.
5. There would be a 100 percent increase in industrial natural gas prices.
6. Jet fuel prices would increase 40 percent. Because fuel costs currently represents 1/3 of airline costs, the energy factor alone could increase airline ticket prices by 15 percent.

The study I just outlined is a first analysis of the likely economic, employment, and energy market impact

of the EPA “endangerment findings” which was released on December 7, 2009. This finding will be used as a prerequisite to finalizing the EPA’s proposed greenhouse gas emission standards. Therefore, concerned Americans need to be aware of the real-life impact that the EPA direction will have on their lives.

Let me articulate more specifically how these policies will affect our minority communities over the next 15 years. First, let’s look at the impact on minority poverty rates. These modest energy increases will produce an increase in the Hispanic poverty of nearly 22 percent, moving the poverty level from 23 percent to 28 percent of the Hispanic population. For blacks, the poverty rate will be increased by only 20 percent. But we should not minimize the fact the black poverty rate will move from 24 percent to 30 percent over the next 15 years.

Next, the study tackles the impact on income. Both blacks and Hispanics will lose thousands of dollars of household income over the next decade. Third, there will be an impact on jobs - 1.7 million jobs will be lost by African Americans over the next 10 years. Hispanics are positioned to lose 2.4 million jobs during the same period of time.

Finally, the study states that there will be a disproportionate impact on minority, small businesses. This is because black and Hispanic-owned businesses tend to be smaller and less capitalized than white businesses. Therefore, they are more susceptible to losses induced by the EPA CO2 restrictions. Thus researchers believe that the impact on minority businesses will be significant. For more information about the study itself – its methodologies, its findings, and its implications – go to [www.affordablepoweralliance.com](http://www.affordablepoweralliance.com).

It was great to present a summary of this information at the Denver Tea Party rally last Wednesday. The crowd was fired up and concerned about the economy and our tax burden. Fortunately, they quickly grasped that our energy policies can create a hidden, regressive tax that disproportionately penalizes the poor. My reception at the Denver rally confirms what recent studies have shown that the Tea Party participants are well educated and concerned about government spending and the fact that the government is not addressing the true needs of the people.

Let me end this article by repeating the chant that was shouted in Denver, “Let Freedom Ring!”