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NREM 585

January 24, 2020

Reading Activity 7: Chapter 15 in Cubbage et al. 2017

1. Four environmental or ecosystem service payment programs:
   1. Cap-and-trade or harvest quotas are useful where the maximum amount of X (pollution, fish or game harvest, etc.) are set by the government and allocated among market participants, letting the market handle trading of allocated resources.
      1. Cap-and-trade systems have been an important tool for reducing overall air pollution in the United States. The market works by challenging polluters to develop and use new technology that reduces pollution, freeing up their pollution credits that can be sold on the market. The amount of credits is regulated so that the demand for credits is always high, motivating polluters to reduce their emissions.
   2. Wetland banks are markets that use valuation of wetlands as a marketable commodity under the “no net loss of wetlands” program. Wetlands that are created receive credits that are transferable to other entities that are destroying or filling wetlands.
   3. Carbon emissions are like wetland banks in that they create transferable credits after the creation of areas that act as carbon sinks. These credits can then be purchased by polluters to offset their emissions.
   4. Endangered Species Act protection often incorporates protection of areas where endangered species exist, or creation of new habitats with deliberate attempts to establish endangered species in those new habitats. The credits from this program are used by other entities that have “incidental” take or destruction of endangered species.
2. Two Interesting Things:
   1. The critiques of the crop subsidy programs were interesting because they highlighted how a program meant for farmer stability and insurance against bad crop years has developed into an important source of income for many farmers.
   2. The different types of land trust and conservation easement programs were also interesting, I suspect the sheer complexity of those programs inhibits people from entering into the program.
3. One Question:
   1. Is it true that Dingell-Johnson and Pittman-Robertson funds are often subject to attack by members of congress seeking to balance a budget elsewhere? Excise taxes were only covered briefly here.