HOW GOOD INTENTIONS BACKFIRE
Negative Effects of Federal Environmental Policies

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OCTOBER 2016

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INTRODUCTION

Federal policymakers have been enacting environmental laws for decades to preserve environmental quality and promote human health, but some outcomes from these laws have been economically or environmentally harmful. We examine how and why negative consequences arise from seemingly good environmental laws. This condensed report summarizes the key findings from the full report *How Good Intentions Backfire: Negative Effects of Federal Environmental Policies*.

First, we use public choice theory to examine the political process of creating environmental policies. Then we analyze the negative outcomes from six of the most influential environmental laws:

- The Wilderness Act
- The National Environmental Policy Act (NEPA)
- The Clean Air Act
- The Clean Water Act
- The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)
- The Energy Policy Act of 2005

We conclude with how market approaches could solve environmental problems without the shortcomings of government approaches.

HOW AND WHY ENVIRONMENTAL POLICIES ARE CREATED

Public choice theory rejects the romantic notion that government officials work solely for the public good. Legislators and bureaucrats, like all people, are rationally self-interested individuals who pursue their own interests. Policymakers do not always make regulations based on altruistic intentions or pure environmental benevolence.¹

Environmental protection policies and regulations are not exempt from the imperfections of the political process. When politicians, bureaucrats, and special interests work to maximize their own self-interest, environmental policies can have negative consequences and unseen costs that burden the environment and taxpayers. Special interest groups tend to dominate the policymaking process because they often seek regulations as a tool to get what they want under the guise of public benefit.

Policymakers can grant privileges to certain interest groups who are able to capture policymakers at the expense of everyone else. Despite being seemingly unfair, special interest groups continue to seek privileges that allow them to benefit, and the rest of the population does not usually fight back because it is too costly to do so.² These privileges include corporate bailouts, subsidies, price and entry regulations, tax credits, contrived monopolies, non-competitive bids, loan guarantees, and trade protections.³ Politicians are rarely experts in energy production or environmental science, so they are prone to support interests that lobby and financially support them.

Government-granted privileges distort market supply and demand and alter price signals that convey information about what people value. Government policies that distort normal market processes can also lower economic growth and harm the private sector overall while certain favored industries profit.⁴

Like legislators, bureaucrats are rationally self-interested individuals who try to maximize budgets and power. Legislators often write vague environmental laws, giving bureaucrats wide discretion on how to implement them. Bureaucracies typically gather inadequate evidence to justify the merits of a proposed regulation, and they often lack a coherent theory as to

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⁴ Ibid. pp. 15-23.
why a rule is necessary or appropriate. Each year, the number of environmental regulations continues to grow. Excessive regulations hinder innovation, entrepreneurship, and economic efficiency with minimal or no environmental benefits.

Unintended consequences easily arise from even the most well-intentioned policies. It is impossible for government officials to gather and process all relevant information or foresee all possible outcomes. Even with large numbers of well-educated advisors, policymakers can still pass flawed laws that impose unintended economic or environmental harm.

Although lawmakers and regulators may not be able to foresee every outcome from environmental laws, outcomes that are negative for society may be beneficial for a small group of influential people. The benefits of interest groups are concentrated, so they have a strong financial incentive to continue lobbying policymakers to keep socially negative laws on the books. The costs, however, are dispersed among the whole population. When costs are dispersed, individuals have little incentive to fight against these laws because the costs that an individual incurs are relatively small.

Special interest groups seek preferential treatment, and lawmakers often oblige when they can reap benefits from the industries while not upsetting their constituency. The political exchange of favors between lawmakers and special interest group leaders may intentionally lead to a net negative effect when costs are dispersed over a sufficiently large number of people. Therefore, negative consequences may be intended when government officials strategically use regulations as a means of political exchange. The combination of purely unintended consequences and strategically designed political exchange can result in policies that generate socially negative outcomes.

Public choice theory explains how and why federal environmental policies can be ineffective or counterproductive. The lawmaking and rulemaking processes are made by imperfect, self-interested individuals, and so outcomes have proven to be imperfect. To avoid the negative outcomes from policymaking, society will have to demand better policymaking or embrace market-based solutions.

THE WILDERNESS ACT

Congress passed the Wilderness Act in 1964 to protect some of America’s most undeveloped federal land from human development. The restrictions imposed by wilderness designations can harm the ecological health of some of America’s favorite federal lands.

When passing the Wilderness Act, wilderness advocates and politicians capitalized on the romantic idea that certain areas of untouched land needed to be preserved. Although protected lands are valuable to many Americans, wilderness designations often ignore the historical influence of Native Americans and European-Americans on many of these lands. Native Americans harvested trees, cleared farmland, grazed animals, and intentionally set fires in many of these places. European-Americans also used these areas for grazing, mining, and logging before they were designated.

The Wilderness Act of 1964 established the National Wilderness Preservation System and allowed Congress to set apart tracts of federal land to remain

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9 Ibid.
“unimpaired for future enjoyment as wilderness.” In the past 51 years, Congress has designated 765 wilderness areas, totaling 109 million acres.\textsuperscript{11}

The Wilderness Act defines wilderness as an area of “undeveloped federal land retaining its primeval character and influence.”\textsuperscript{12} The act gives little direction on how officials should manage wilderness land. Wilderness areas are managed by four federal agencies: The Bureau of Land Management, Fish and Wildlife Service, United States Forest Service, and National Park Service.

Wilderness designations severely limit development and active management on these areas of federal land. Managers generally use a hands-off approach when overseeing wilderness areas. In some cases, wilderness designations prevent land managers from acting in the best interest of the areas they manage. The environmental health of many wilderness areas suffers for three reasons:

1. Wilderness designations make active management illegal or nearly impossible in many cases.
2. Many wilderness managers adhere to the romantic ideals of wilderness and do not engage in active management even if they have the legal authority to do so.
3. The fear of litigation from environmental groups can deter wilderness managers from engaging in legal forms of active management on wilderness lands.

When wilderness managers are restricted in how they can preserve environmental quality, the health of wilderness areas can deteriorate. The Wilderness Act restricts managers from engaging in potentially beneficial practices. Wildfires and insect infestations are some of the most pressing problems in wilderness areas today, but wilderness managers can do little to prevent these problems from growing larger. By eliminating human influences from these ecosystems, forests within wilderness areas have become artificially dense, allowing wildfires and insect infestations to spread more easily.

In addition to environmental issues, the Wilderness Act has banned certain forms of recreation on public lands where they have been occurring for decades. In many wilderness areas, the long-established practice of mountain biking must be discontinued after the area is designated as wilderness.\textsuperscript{13} By allowing certain non-destructive activities in wilderness areas while restricting others, federal policymakers arbitrarily choose winners and losers on public lands.

Overall, the Wilderness Act is a broad law that limits the power of wilderness managers from meeting the individual needs of the 765 wilderness areas contained in the National Wilderness Preservation System. Wilderness designations change the historical use of an area, alter ecosystems, and affect how recreationalists can use public lands. Although the Wilderness Act is meant to preserve some of America’s most prized landscapes, the administration of the law can be environmentally harmful when it limits the ability of managers to actively engage in environmentally beneficial practices.

THE NATIONAL ENVIRONMENTAL POLICY ACT

The National Environmental Policy Act (NEPA) was one of the first large-scale federal environmental protection laws. Passed in 1970, NEPA was intended to ensure that government agencies researched and analyzed the environmental impacts of every proposed government project. Despite the seemingly good intentions of the law, NEPA has resulted in increased government inefficiency and a lack of government accountability with limited environmental benefits.

Under NEPA, government agencies must file publicly-accessible forms addressing the environmental impacts of all proposed projects, as well as outlining

feasible project alternatives. NEPA also created the Council on Environmental Quality (CEQ) to advise the president on environmental quality issues.  

The policymakers who drafted NEPA intentionally made the wording vague to avoid limiting the act’s scope. NEPA’s ambiguity has left agencies and the general public unsure of the act’s extent. Despite numerous court cases and guidance from the CEQ, uncertainty still surrounds NEPA’s documentation requirements. This uncertainty has resulted in several unintended consequences, such as high costs and unnecessary project delays which often last several years. These costs are transferred to taxpayers.

NEPA does not require government agencies to act in an environmentally responsible manner. The law simply requires agencies to prepare Environmental Assessments (EAs) and Environmental Impact Statements (EISs) to help inform their decision-making process. Agency leaders have no legal obligation to choose the most environmentally beneficial outcome.

Because NEPA lacks both environmental preservation mandates and enforcement mechanisms, judicial review and public litigation act as perverse measures for enforcing environmental protection. NEPA also does not provide or require any cost-tracking mechanisms, making accountability for agency spending difficult and conducting benefit-cost analyses nearly impossible. NEPA’s inefficiencies have largely been ignored by lawmakers because no government-wide, quantifiable data exists.

As NEPA compliance has grown increasingly complex and meticulous, the time required to prepare EAs and EISs has steadily increased. Between 1998 and 2006, the amount of time required to prepare an EIS ranged from 51 days to 18.4 years. The average preparation time for EISs in 2012 was 4.6 years. From 2000 to 2012, the average preparation time for all government-wide EIS completion grew at an average rate of 34.2 days per year.

As EAs and EISs have continued to grow in length and complexity, the cost of completing this documentation has correspondingly increased. The Department of Energy (DOE) reported that the cost of completing an EA ranges from $3,000 to $1.2 million, with a median expense of $65,000. For the considerably larger EIS documents, the DOE’s average cost to reach completion was $6.6 million. Federal agencies complete about 50,000 EAs and 500 EISs each year, resulting in large amounts of time and money being spent to complete these documents.

Individuals and special interest groups who oppose an agency’s project can hinder development by suing the agency over its NEPA compliance. There are approximately 100 NEPA-related litigations annually, and one case can have far-reaching impacts. Because litigation is costly and time-consuming, government...
agencies are incentivized to over-prepare EISs to protect against litigation, adding unnecessary time and monetary costs to the NEPA process.

NEPA’s arduous compliance process and vulnerability to public litigation stunts job creation and economic growth. For example, NEPA delays relating to public lands may be preventing thousands of jobs from being created and limiting economic development. NEPA could be improved by implementing a cost-tracking mechanism, condensing the EA and EIS process, and limiting the incentive to litigate.

**CLEAN AIR ACT**

The stated purpose of the Clean Air Act (CAA) is to improve and protect air quality in the United States. Improving air quality for environmental and human health is an important goal, but the CAA has resulted in several negative consequences, including bureaucratic inefficiency and economic distortions.

One of the most significant ways that the CAA distorts the economy is by favoring old companies at the expense of new ones. For example, Section 111 of the CAA has protected some of the oldest, dirtiest coal plants. Coal power plants that should have been closed years ago have continued to operate because the CAA prevents competitors from replacing them. Federal standards that new stationary sources of pollution must follow are stricter than state standards in many cases, which provides existing polluters with an unfair advantage in the market.

As a result of the CAA, the majority of the operating coal power plants in the United States were built before 1970, despite the fact that the average life of a coal plant is forty years. Many of these coal power plants have not been retired because the replacement costs for a new power plant are prohibitive. Additionally, the United States has seen a decrease in the number of new coal power plants since the 1980s, which is indicative of the difficulties companies have faced in building new facilities.

The goal of the CAA is to decrease emissions around the country to protect the citizens’ ability to work and live a healthy life. The CAA, however, has limited the ability of many Americans to find work in counties or areas that have been designated as nonattainment areas. The costs companies incur from being located in a nonattainment area have an impact on employment and capital accumulation. Over a fifteen-year period, the Environmental Protection Agency’s (EPA) standards for the CAA were responsible for over 590,000 lost jobs and reduced output by more than $100 billion.

The CAA was largely the result of politicians eagerly responding to the perception that air quality was seriously deteriorating. The law gives power to the EPA to set emissions and concentration standards for pollutants, as well as the power to enforce any noncompliance with these standards. The EPA purports that the CAA has been a regulatory success, saving the country trillions of dollars in avoided healthcare costs by reducing harmful pollutants. The EPA has overstated the impact of the Clean Air Act on the overall health of the country as well as the monetary benefits that have arisen from its enforcement.

The latest report from the EPA, released in 2011, estimates that the Clean Air Act creates benefits that exceed the costs of regulation by a factor of more than 30:1. Nearly 85 percent of these economic benefits arise from the prevention of premature deaths that would have been caused by particulate matter. The EPA’s calculations of the CAA’s benefits are often based on biased or inaccurate estimates. Calculations of the costs often neglect the CAA’s hidden and

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indirect costs, making the benefit-cost analyses of the CAA more of a political tool than an economic one.

As the American economy has transitioned to service-based economy over the past several decades, the amount of pollution produced by manufacturing has dropped. New technologies and an increasing demand for clean air have been large factors in improving air quality. The CAA has helped clean the air to a degree, but it is not the only factor.

Evidence suggests that rather than cleaning up industrial processes, the United States has simply exported these industries to countries that do not have laws that prevent pollution. Compliance costs with the EPA’s air quality standards have increased as the standards have become stricter, which raises the likelihood that manufactures will be relocated overseas. Instead of actually cleaning the air, the CAA makes it the problem of much poorer, less developed countries.

According to the EPA’s statistics, over 80 percent of the American population lives in areas that are now in compliance with the majority of the National Ambient Air Quality Standards set by the EPA. Concentration levels for criteria pollutants have fallen by an average of 50 percent and have all attained the national standard goals. 28 Despite decreased levels of pollutants in the air, the EPA shows no signs of decreasing its budget for air quality improvement. As with all bureaucracies, the leadership of the EPA is self-interested and continues to search for ways to increase its budget and secure additional responsibilities. If the country has attained its targets for emissions, the expected effect on the EPA’s budget would be to reduce spending rather than continue the current trend of decreased returns on investment.

**CLEAN WATER ACT**

The Clean Water Act of 1972 (CWA) shifted water pollution control from state to federal management. The CWA authorizes the EPA to regulate point source pollution by requiring states to form their own water quality standards. The CWA inefficiently improves water quality and violates property rights.

Many of the law’s negative consequences are rooted in its vague wording. The Supreme Court has defined the scope of regulatory power for the EPA and Army Corps of Engineers, which has insulated water pollution regulation from the will of the public. The Court’s ill-defined interpretations have exacerbated confusion, given free reign to bureaucratic agencies, and left industries unsure of what regulations are in place.

After 40 years and hundreds of billions of taxpayer dollars, the CWA has failed to assess over half of the waters of the United States. Additionally, 60 percent of assessed waters do not meet water quality regulations. For example, the EPA has spent decades and millions of dollars to clean up the Great Lakes, but they are still over 90 percent impaired. 29

The EPA’s definition of wetlands places over 100 million acres, 80 percent of which are on private property, under federal protection, denying property owners the right to develop their own land. 30 The CWA’s protection of wetlands has been less efficient than private efforts and is more invasive of property rights.

The CWA takes a top-down bureaucratic approach to water pollution when a local approach would be more efficient. The EPA and the Army Corps of Engineers implement the CWA. These bureaucratic agencies are subject to political pressure, have little oversight, and have little incentive to efficiently spend taxpayer dollars. Multiple agencies, including the EPA, have admitted that the CWA is inefficient and costly.

Estimates from the Bureau of Economic Analysis (BEA) claim that the CWA has cost over $1 trillion, with the government paying a third and the private sector covering the other two-thirds. 31 Estimates from the Bureau of Economic Analysis put the cost of the CWA at $1 trillion, with the government paying a third and the private sector paying the other two-thirds. 31

Mercatus Center place the CWA’s total costs at $2.25 trillion. The BEA estimate does not take into account the private costs of operation, regulation and monitoring, research, or development caused by the CWA, whereas the Mercatus report does. Mercatus places the direct government expenditures at $1.43 trillion since the CWA’s passage. According to recent EPA estimates, at the current rate it will take over 500 years for the CWA to clean and restore all American waterways if no new waterways become impaired.

The CWA is outdated and fails to achieve water quality standards. It also causes clean water regulation to be costly and inefficient. To avoid waiting hundreds of years and paying trillions of dollars, policymakers will need to consider alternative ways of improving water quality. These alternatives may include a decentralized approach beginning on a local and state level.

CERCLA

The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980 empowers the EPA to clean hazardous waste sites. The law was meant to protect the health of American citizens by requiring people who created hazardous waste sites to clean them up. Although hazardous waste is a serious concern, CERCLA has had the negative consequences of inefficiency, constitutionally dubious liabilities, and high costs.

Since Congress enacted CERCLA, the EPA has inefficiently cleaned hazardous waste sites in terms of both time and money. Foremost among CERCLA’s list of inefficiencies is the time it takes to begin a cleanup. Cleanup operations begin, on average, ten years after discovery of a hazardous site. Preliminary assessments and investigations during the listing process average over four years, meaning that thousands of sites are consistently waiting for investigatory actions to occur.

Originally envisioned as a short term, self-funded program, CERCLA consumes large amounts of funding, often needing significant congressional allocations from the general fund of the federal government. The Government Accountability Office (GAO) determined that in 1993, 13 years after the law’s creation, the EPA had only recovered $1.2 billion of $8.7 billion spent in cleanups. Some estimates have shown that CERCLA costs the U.S. about $4 billion annually, with lifetime costs exceeding $30 billion for the public and $10 billion for the private sector.

CERCLA includes retroactive liability provisions that have been used to punish entities for actions that were legal when they occurred. Retroactive liability has

State University & Yale University. pp. 45.
Total was calculated by adding the amounts from Johnson’s Table 8 to the sum of annual EPA budgets for clean water from 2001-2015.

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been controversial, and some have argued that such action violates due process rights and constitutes ex post facto punishment, which is specifically banned by the U.S. Constitution. Ex post facto laws punish a person or entity for actions taken prior to a law’s passage.39

Although CERCLA helps to clean up America’s hazardous waste, decades of evidence show that the law has not been time-effective or cost-effective. The law has infringed upon the constitutional protections and rights of numerous individuals and entities. Despite these financial and constitutional sacrifices, the law has not effectively cleaned the sites which it was created to address. Policymakers could explore solutions within the free market or common law that may be more efficient, less costly, and without constitutional issues.

ENERGY POLICY ACT OF 2005

The purpose of the Energy Policy Act of 2005 (EPAct) was to reduce America’s growing dependence on foreign oil by promoting domestic energy production and reducing energy consumption. During the legislative process, however, the act ballooned into a massive bill which doled out special privileges to politically connected energy industries. The act also distorted energy markets with subsidies and loan guarantees, which impose high costs on taxpayers. Many of the act’s provisions have done little to improve environmental quality, and in some cases, the act has actually harmed environmental quality.

The EPAct allows the Department of Energy to make loan guarantees to specific energy companies.40 The guarantees made by the federal government allow energy companies to use taxpayer dollars to pay off a company’s debt if the company is unable to pay. These loan guarantees allow companies to make riskier, or otherwise unprofitable investments. In the event of failure, the company can rely on taxpayers to cover their losses. If the company succeeds, they get to keep all the profits.

In 2009, the federal government granted Solyndra, an energy company, $535 million in loan guarantees. Two years after Solyndra received the loan guarantee, it filed for bankruptcy, and taxpayers assumed the cost of the loan. Solyndra is only one of dozens of companies that have used the loan guarantee program to shield themselves from financial losses at the taxpayers’ expense.41

In an effort to reduce emissions from motor vehicles and to decrease the United States’ dependence on foreign oil, the EPAct requires gasoline and diesel refiners to purchase and blend fossil fuels with certain amounts of renewable fuel each year. This mandate is called the Renewable Fuel Standard (RFS). The renewable fuel predominantly used to fulfill RFS requirements is corn ethanol. After the RFS had been implemented, unemployment decreased more slowly in Corn Belt counties than it had in the rest of the United States, and per capita income dropped more in Corn Belt counties than in the rest of the nation.42

The RFS also creates a number of environmental problems. The amount of energy it takes to produce corn ethanol is greater than the energy created when corn ethanol is burned for fuel. Furthermore, according to a study published in Science magazine, a substantial amount of Carbon Dioxide is released when land is converted to corn farming, creating a carbon debt that

will take 93 years to make up.\textsuperscript{43} The RFS also increases fertilizer use. In the Midwest, where the majority of corn in the U.S. is grown, fertilizer-laden runoff eventually flows into the Mississippi River and contributes to algae blooms in the Gulf of Mexico, which suffocate marine plants and animals.\textsuperscript{44} Despite these environmental costs, the RFS does little to reduce our foreign oil dependence.\textsuperscript{45}

In an effort to reduce the nation’s energy use, the EPAct of 2005 created mandates and incentives for more energy-efficient buildings, appliances, and vehicles.\textsuperscript{46} More efficient appliances require less energy per unit of “service,” so in theory consumers should use less energy.\textsuperscript{47} Energy efficient appliances, however, make appliances cheaper to use. When services become cheaper and more efficient, people tend to use those services more. The increased use of an appliance when it becomes more energy efficient is called the “rebound effect.” The rebound effect negates some, or even all, energy savings of using energy-efficient appliances.\textsuperscript{48} The American Council for an Energy-Efficient Economy estimated that the EPAct’s energy efficiency provisions decreased U.S. energy consumption by 1.5 percent in 2005, but this estimate did not account for rebound effects, and thus is too high.

The EPAct of 2005 was expected to solve many of the energy problems our nation faced in the early 2000s. Instead, it created environmental problems while benefitting politically connected industries over others. The EPAct is a prime example of how major federal energy legislation is vulnerable to political corruption and poor planning.

**MARKET APPROACHES TO ENVIRONMENTAL PROBLEMS**

Without government regulations, people can and do preserve the environment when economic incentives are aligned with environmental quality. Government policies are not the only solutions to environmental problems. Policymakers and the general public have many tools they can use to help the environment. Markets, property rights, and tort law can solve environmental issues without the need for policies that inflict additional consequences. Both policymakers and citizens should consider all the tools available if they want a larger selection of options when trying to tackle environmental issues.

The most common government approach has been command and control policies. Most of the environmental policies discussed in this report are command and control, which require a central authority to dictate how environmental quality should be managed.\textsuperscript{49} No central authority knows enough to single-handedly protect environmental quality for every circumstance throughout the entire United States. When forming command and control policies, lawmakers and regulators set up a system where special interest groups try to reap the benefits and pass the costs along to others.

By using market-based incentives, policymakers can craft policies to harness the power of markets. The


federal government has already used market-based approaches in several policies. These approaches have generally been successful. When government policies rely on market incentives, environmental outcomes can improve by taking advantage of mutually beneficial exchange. Rather than creating a system that requires a party simply to meet minimum standards, market incentives harness self-interest for socially beneficial purposes. Government policies with the most potential for efficiently and effectively improving environmental quality create win-win situations for everyone. For example, policymakers have used market incentives to address sulfur emissions under the CAA, to limit nitrogen pollution in the Chesapeake Bay under the CWA, and to protect fisheries through Individual Transferable Quotas in Alaska.

Common law and property rights can also solve environmental issues, rather than strict government laws and regulations. Tort law is a form of common law that allows citizens to sue others when they infringe on their legal rights or cause personal harm. The common law system promotes accountability for polluters because they are held liable for any harm or damage they inflict. Because litigation is costly and time-consuming, common law incentivizes polluters to minimize environmental harm. Common law creates a system of widespread enforcement because anyone can sue another party that harms them or their property. When held accountable for harming other people and their property, polluters change their behavior to avoid future repercussions. For example, if a wastewater treatment plant is taken to court for polluting a river, the plant will find ways to pollute less to avoid future litigation.

Policymakers and ordinary citizens can rely solely on the free market to solve environmental problems. A movement called Free Market Environmentalism (FME) looks for ways to use the power of market incentives, entrepreneurship, and innovation to solve environmental problems. This approach is completely voluntary and is not subject to the problems of concentrated benefits and dispersed costs that are associated with most government policies. FME is not just a romanticized notion of individuals caring for the environment. In a market system, people are willing to invest their time and resources directly into the aspects of the environment that they value the most. Even with today’s massive amounts of environmental regulation, there are many examples of FME in action. Free market environmentalists believe that the way to solve environmental issues is to change the incentives of those involved in the market rather than relying on government control.

Even without the government’s influence, some entrepreneurs have created ways to use waste to create a better environment. For example, innovators and entrepreneurs have begun marketing plantable coffee cups and edible cutlery to reduce waste. Other free market environmentalists are purchasing large tracts of land in central Montana to create a privately owned nature preserve that will be larger than Yellowstone National Park.

By assigning property rights to the environment, owners will be more likely to treat the environment as an asset and create greater property value by

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protecting it. For example, in England and Scotland, the owners of fishing rights sell or trade the rights to others who wish to fish or use the stream. This approach has increased the fish population and decreased stream pollution as owners of the stream can litigate against those who pollute or overuse their property.55

FME policies are innovative and allow for unique solutions to diverse problems. Using market-oriented approaches to improve the environment allows people to more easily address problems as they arise. The market allows for innovation and eliminates the costs and negative consequences of government legislation.