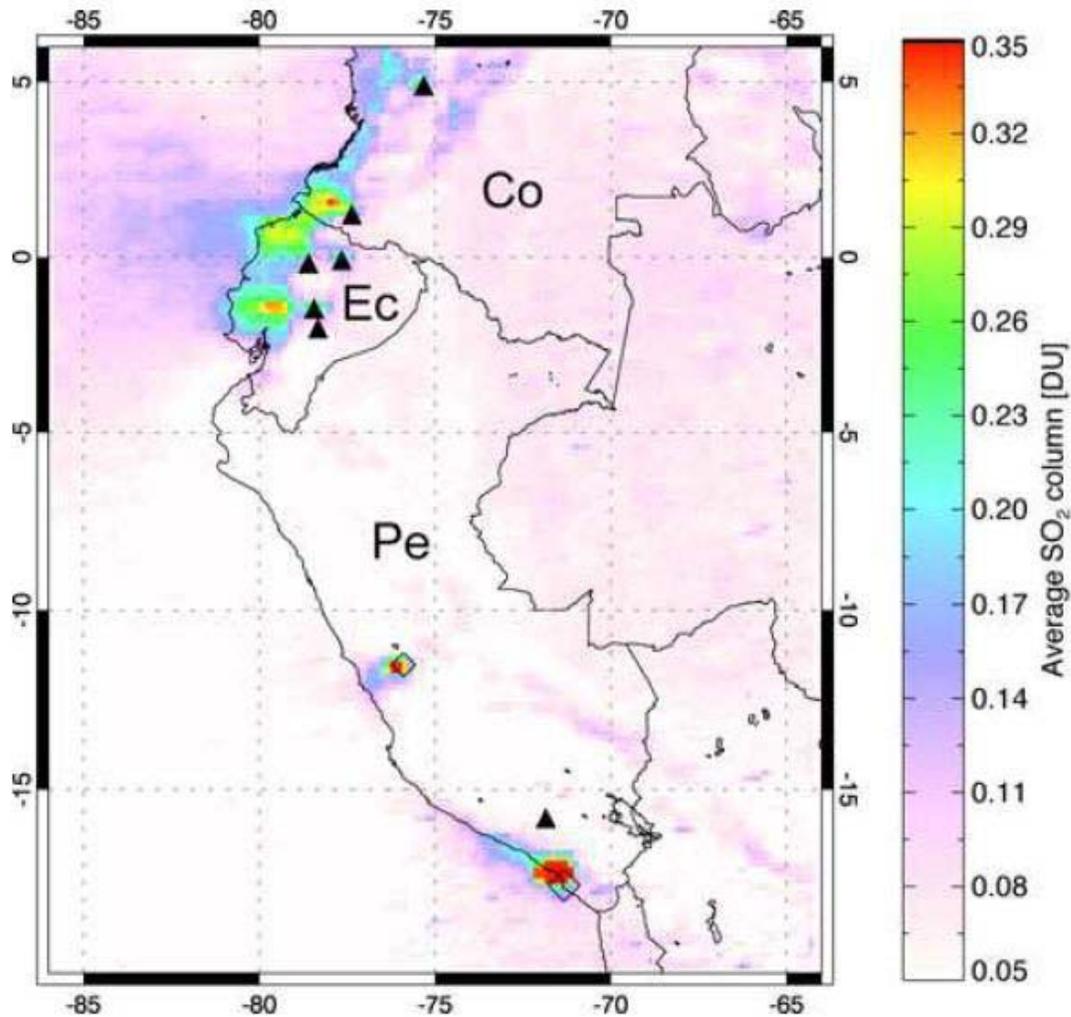


Agency Mandate and Director's Charge

In response to the World Health Organization's (WHO) call to reduce sulfur dioxide atmospheric pollutants, the Peruvian government established policy for reducing SO₂ emissions. In 2000, Peru's SO₂ emissions were approximately 1,083,600 metric tons (World Resources Institute). Today, it is estimated Peru is emitting close to 2,000,000 metric tons of SO₂ annually. Increases have resulted from economic and population growth coupled with inconsistent regulatory action. These levels are impacting human health, agriculture, and fisheries—costing the nation millions of dollars per year.



(Carn et al., 2007)

Satellite measurements of SO₂ emissions in Peru.

CONAM, Peru's environmental protection agency, requests proposals for an Environmental Action Plan that go beyond the "command and control" approach due to two decades of failed enforcement of existing regulations. Your team represents a regional office of the agency and your directive is to draft regulation that will be more effective than existing regulation in the reduction of SO₂

emissions.

With regards to the new policy, the Director has mandated that:

- Viable options include a cap-and-trade program similar to the United States' Acid Rain Program or a sulfur dioxide tax comparable to Australia's recently implemented carbon dioxide tax.
 - The United States' cap and trade program was noted for its significant reduction in SO₂ levels (61%), cost effectiveness, and minimization of government intrusion.
 - Proponents of the carbon dioxide tax report a vast number of advantages over a cap. Advantages include simplicity through a predictable and steadily increasing tax on every ton of sulfur dioxide emitted. The price certainty, coupled with transparency make emission taxes a viable option for reducing environmental impacts.
- Your team will draft regulation aimed at reducing sulfur dioxide emissions. Figure 1 provides a brief overview of the process.
- Your team will present your draft regulation to the Peruvian CONAM for review and comment.
- After hearing all of proposals from the individual regional offices, the Director would like critiques of each proposal and a recommendation as to which the agency should use as its starting point for emission reduction.



[[Lab Listing](#) | [Copper II: Controlling SO₂ Emissions](#)]