

The Week That Was: 2011-03-05 (March 5, 2011)
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The Science and Environmental Policy Project

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Quote of the Week:

“The purpose of the ‘social cost of carbon’ (SCC) estimates presented here is to allow agencies to incorporate the social benefits of reducing carbon dioxide (CO2) emissions into cost-benefit analyses of regulatory actions that have small, or “marginal,” impacts on cumulative global emissions.” From: Social Cost of Carbon for Regulatory Impact Analysis, Under Executive Order 12866, February 2010

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Number of the Week: \$1.2 TRILLION - \$1,200,000,000.00

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THIS WEEK:

By Ken Haapala, Executive Vice President, Science and Environmental Policy Project (SEPP)

Last Friday, the White House transmitted to Congress the *2011 Economic Report of the President* (ERP) prepared by the President’s Council of Economic Advisers. For purposes of science based environmental policy, the most crucial chapter is Chapter 6, “Transitioning To A Clean Energy Future.” Several specific issues will be discussed in the upcoming TWTW, however, this week’s discussion will be limited to two general concepts in the ERP: first, the concept of Social Cost of Carbon, suggested, but not fully calculated in the ERP; and, second, the calculated social cost of American’s dependence on foreign oil which demonstrates how the concept of Social Cost of Carbon can be easily used by bureaucrats to the detriment of the American public.

The concept of the Social Cost of Carbon (SCC) can be found in the *Social Cost of Carbon for Regulatory Impact Analysis, Under Executive Order 12866, February 2010* from which the “Quote of the Week” is taken. Twelve government agencies are listed as participating in the Interagency Working Group including the expected – EPA, Department of Energy, Office of Energy and Climate Change. Other agencies include Council of Economic Advisers, Office of Management and Budget, and the Departments of Agriculture, Commerce, and Treasury.

As suggested in the above quote, the concept of SCC is intentionally vague and lacks scientific precision. It is a bureaucrat’s dream. Any suggested harm from the use of carbon can be included no matter how improbable. Of course, the current objective is controlling all carbon-based fuels. But, SCC can be used for other purposes as well.

Humans are carbon based life forms, all life on the planet is carbon based. The use of vague concepts such as Social Cost of Carbon suggests life itself comes with a social cost.

In recent years, the Federal government demonstrated how laws with vague concepts can be used to broaden government control of the citizenry. When the Clean Air Act was passed, it was not envisioned by many of its principal sponsors that it would include control carbon dioxide emissions. Yet, the Supreme Court ruled that carbon dioxide, a non-toxic trace gas essential to life, is a pollutant under the Clean Air Act.

If given leeway, EPA, and others, will use the vague concept of Social Cost of Carbon to greatly expand governmental powers. The ERP states the estimated value of the benefits from carbon management range from \$5 per ton of to \$67 per ton of carbon dioxide emissions. Of course, there is no mention of the actual benefits of carbon dioxide enhancement to agriculture and the environment, apparently something the Department of Agriculture does not recognize.

The ERP also gives also gives a demonstration, but does not fully discuss how government agencies can manipulate the concept of Social Costs of Carbon (SCC). The ERP contains a full separate page titled the “Energy Security Benefits of Reduced Oil Consumption,” to include the costs of the Strategic Petroleum Reserve. The ERP omits any discussion that the ‘Security Benefits’ would be achieved by expanding domestic exploration and development of the extensive oil resources within the US and its offshore boundaries, which would eliminate any of the delineated ‘Security Benefits’ in the ERP. Further, that section of the ERP concludes with the unrelated comment: “By comparison, one U.S. government estimate [unidentified] of the global social cost of the CO2 emissions associated with one barrel of oil is \$9.52 in 2010 going up to \$20 in 2050.” (p. 126) Global social costs are lumped into US security cost. (Please see documents referenced under “EPA on the March ...”)

On March 1, the EPA posted the final version of a new report: “The main purpose of this report is to document the costs and benefits of the 1990 CAAA [Clean Air Act Amendments] provisions incremental to those costs and benefits achieved from implementing the original 1970 Clean Air Act and the 1977 amendments.”

“The results of our analysis, summarized in the table below, make it abundantly clear that the benefits of the CAAA exceed its costs by a wide margin, making the CAAA a very good investment for the nation. [Emphasis in the original] We estimate that the annual dollar value of benefits of air quality improvements will be very large, and will grow over time as emissions control programs take their full effect, reaching a level of approximately \$2.0 trillion in 2020.” (First page of Abstract, no page number)

“A peer-reviewed report prepared by the EPA estimates that for the year 2010 alone, the Clean Air Act Amendments of 1990 yielded net benefits of \$1.2 trillion—everything from lives saved to healthier kids to a more productive workforce (EPA 2010).” [The ERP p. 127] The bottom line is that the EPA considers the intensification of Clean Air Act regulations since 1990 will be worth \$2.0 TRILLION per year in 2020 and is worth \$1.2 TRILLION in 2010, alone.

In its discussion and presentation of the CAAA, EPA avoids any specific mention of carbon dioxide, except for its effects on galvanized steel. Virtually the entire impact study is taken up by discussion of airborne compounds of sulfur and nitrogen, etc. If the value of the 1990 amendments is \$1.2 Trillion, one is compelled to inquire how much EPA values the Clean Acts of 1970 and 1977? How much does EPA value the Clean Water Act and similar regulations? (Please see documents referenced under “EPA on the March ...”)

Number of the Week: \$1.2 Trillion. The EPA values the Clean Air Act Amendments since 1990 at \$1.2 Trillion in 2010 alone, or more than 8% of the US Gross Domestic Product in 2010, estimated to be \$14.7 Trillion. EPA valuations of regulations it enforces, or desires to enforce, are highly questionable.

The head of the United Nations, Ban Ki-moon went to Hollywood to beseech the entertainment industry to produce more movies about global warming – as if Al Gore’s Academy Award was not too much. During World War II the US War Department, and its propaganda arms, asked Hollywood, and others, to assist by making patriotic war movies, special features for the troops and civilians, and design propaganda posters. The effort was successful. Many countries in World War II, including those on opposite sides, made similar requests of their artists and were also successful – to a point.

After spending vast sums hiring some of the finest advertising agencies in the world, the IPCC, and the environmental industry, now must appeal to Hollywood. Except in the minds of the IPCC and its supporters, we are not in a World War, and the public is becoming increasingly skeptical of those who believe we are. (Please see articles under “Defenders of the Orthodoxy.”)

The announcement by the prime minister of Australia, Julia Gillard, that Australia will implement a carbon tax and subsequently move to a cap-and-trade program has created an outrage among many citizens. (Please see Articles # 1 and # 2 and articles under “Cap and Trade.”)

To extend government operations, this week, the US Federal government agreed to a two week extension of the current budget resolution with some budget cuts. Another ‘show-down’ will arrive next week.

Corrections and Amplifications: Last week’s TWTW contained a quote from Malcolm Ross, “Give me a faster computer and I will give you the wrong result sooner,” in response to comments by the Met Office claiming it was unable to predict the cold winter because its computers were too slow. Last week’s TWTW failed to identify the source of the original comments by the Met Office. Those comments came from an interview with Julia Slingo, Chief Scientist at the Met Office, as published in *Nature* magazine, on December 30, 2010, <http://www.nature.com/news/2010/101230/full/news.2010.685.html>. A fuller discussion can be found in the January 8, 2011 TWTW.

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ARTICLES:

For the numbered articles below please see: www.sepp.org.

1. Carbon dioxide tax – the People’s Revolt – I

By Bob Carter, Quadrant, Feb 24, 2011

<http://www.quadrant.org.au/blogs/doomed-planet/2011/02/carbon-dioxide-tax-the-people-s-revolt>

2. Shhshh .. don’t talk about the science

By Bob Carter, Quadrant, Feb 28, 2011

<http://www.quadrant.org.au/blogs/doomed-planet/2011/02/gillard-ignores-the-science>

3. Time to Get Serious About American Oil

Why is Washington blocking oil exploration in states like Alaska and Louisiana when the Middle East is such a powder keg?

By Sean Parnell, WSJ, Mar 3, 2011

http://online.wsj.com/article/SB10001424052748703559604576176290352982046.html?mod=WSJ_Opinion_LEADTop

4. Tax Reform Exhibit A

How Whirlpool parlays green credits into zero tax liability

Editorial, WSJ, Mar 3, 2011

http://online.wsj.com/article/SB10001424052748704506004576174321393436988.html?mod=WSJ_Opinion_AboveLEFTTop

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NEWS YOU CAN USE:

Climategate Continued

The WWF Vice President & the New IPCC Report

By Donna Laframboise, No Frakking Consensus, Mar 4, 2011 [HT ICECAP]

<http://nofrackingconsensus.wordpress.com/2011/03/04/the-wwf-vice-president-the-new-ipcc-report/>

[SEPP Comment: Another example of the interrelationships between the IPCC and the Environmental Industry.]

Challenging the Orthodoxy

Is The NSF Funding Untestable Climate Predictions – My Comments On A \$6 Million Grant To Fund A Center For Robust Decision-Making On Climate And Energy Policy

By ‘Roger Pielke Sr. Pielke Research Group, Mar 2, 2011 [H/t ICECAP]

<http://pielkeclimatesci.wordpress.com/2011/03/02/is-the-nsf-funding-untestable-climate-predictions-my-comments-on-a-6-million-grant-to-fund-a-center-for-robust-decision%E2%80%93making-on-climate-and-energy-policy/>

[SEPP Comment: Regional multi-decadal models, based on models that have never been validated are a waste of taxpayer money, but the results from them are used to intimidate the unsuspecting, eventually lessening the public’s respect for scientists.]

John Holdren: White House Malthusian

By Robert Bradley Jr., Master Resource, Mar 3, 2011

<http://www.masterresource.org/2011/03/holdren-malthusian/#more-14268>

Unscientific hype about the flooding risks from climate change will cost us all dear

By Christopher Booker, Telegraph, UK, Feb 27, 2011 [H/t Anthony Watts, WUWT]

<http://www.telegraph.co.uk/comment/columnists/christopherbooker/8349545/Unscientific-hype-about-the-flooding-risks-from-climate-change-will-cost-us-all-dear.html>

[“The warmists have sound financial grounds for hyping the dangers of flooding posed by climate change, writes Christopher Booker”]

Negative water vapor feedback in plant evapo-transpiration found

Posted by Anthony Watts, WUWT, Mar 4, 2011

<http://wattsupwiththat.com/2011/03/04/negative-water-vapor-feedback-in-plant-evapotranspiration-found/>

[SEPP Comment: More evidence that with CO2 enrichment of the atmosphere; plants will adapt and withstand droughts better.]

Defenders of the Orthodoxy

U.N. leader asks Hollywood for help in fight against global climate change

'Together we can have a blockbuster impact on the world,' U.N. Secretary-General Ban Ki-moon tells Hollywood heavyweights at a forum on global climate change.

By Margot Roosevelt, Los Angeles Times, Feb 27, 2011 [H/t SPPI]
<http://www.latimes.com/news/local/la-me-climate-hollywood-20110227.0,3056165.story>

Ban Goes Hollywood

Editorial, IBD, Mar 1, 2011

<http://www.investors.com/NewsAndAnalysis/Article/564641/201103011846/Ban-Goes-Hollywood.htm>

Has the Earth's sixth mass extinction already arrived?

By Anthony Barnosky, et al, Nature 471, 51-57, Mar 3, 2011

<http://www.nature.com/nature/journal/v471/n7336/full/nature09678.html>

[SEPP Comment: Another effort to communicate better with the public – predict future catastrophe with a question – it is logically impossible to refute. The article is behind a paywall but the abstract is not.]

The Anthropocene

Editorial, NYT, Feb 27, 2011

<http://www.nytimes.com/2011/02/28/opinion/28mon4.html?nl=todaysheadlines&emc=tha211>

Seeking a Common Ground

Can a group of scientists in California end the war on climate change?

The Berkeley Earth project say they are about to reveal the definitive truth about global warming

By Ian Sample, Guardian, UK, Feb 27, 2011 [H/t Tom Sheahen]

<http://www.guardian.co.uk/science/2011/feb/27/can-these-scientists-end-climate-change-war>

[SEPP Comment: Another article on the Berkeley Earth group that was discussed by Fred Singer in an article carried in last week's TWTW.]

Extreme Weather

Big-Time La Nina Tornado and Spring flood Season Possible

By Joseph D'Aleo, ICECAP, Mar 2, 2011 [H/t WUWT]

http://icecap.us/images/uploads/Tornado_season.pdf

“Scientists” Pull a Snow Job on Reporters in Teleconference

By Joseph D'Aleo, ICECAP, Mar 2, 2011

http://icecap.us/index.php/go/joes-blog/scientists_pull_a_snow_job_on_reporters_in_teleconference/

Global Warming Alarmists Flip-Flop On Snowfall

By James Taylor, Forbes Mar 2, 2011 [H/t Warren Wetmore]

<http://blogs.forbes.com/jamestaylor/2011/03/02/global-warming-alarmists-flip-flop-on-snowfall/>

BP Oil Spill and Administration Control of Drilling

Oil Drilling to Resume in the Gulf's Deep Waters

By John Broder and Clifford Kauss, NYT, Feb 28, 2011

http://www.nytimes.com/2011/03/01/business/energy-environment/01drill.html?_r=1&nl=todaysheadlines&emc=tha25

[SEPP Comment: A hope or a token?]

America's Enemies Don't Want U.S. Drilling

Editorial, IBD, Mar 2, 2011

<http://www.investors.com/NewsAndAnalysis/Article/564758/201103021902/Energy-Enemies.htm>

Let the Games Begin

House Will Pursue Efforts to Eliminate US Funding for UN Climate Group

By Jeremy Kaplan, Fox News, Mar 1, 2011 [H/t Bud Bromley]

<http://www.foxnews.com/scitech/2011/03/01/house-pursue-efforts-eliminate-funding-climate-group/#ixzz1FPRU6v2F>

The Airhead At EPA

Editorial, IBD, Mar 2, 2011

<http://www.investors.com/NewsAndAnalysis/Article/564747/201103021843/The-Airhead-At-EPA.htm?>

Cap-and-Trade and Carbon Taxes

Gillard's great carbon lie

By Piers Akerman, Daily Telegraph, Feb 27, 2011

<http://www.dailytelegraph.com.au/gillards-great-carbon-lie/story-fn6bmfwf-1226012482286>

Carbon price is the best way forward

By Greg Combet, Climate Change and Energy Efficiency Minister, The Australian, Feb 26, 2011 [H/t Malcolm Ross]

<http://www.theaustralian.com.au/national-affairs/people-in-politics/carbon-price-is-the-best-way-forward/story-fn5oad9h-1226012246858>

[SEPP Comment: If human emissions of carbon dioxide are causing unprecedented and dangerous warming, then taxing emissions would be the most efficient way of regulating them. But they are not.]

Climate change adviser recommends agriculture be included in a carbon price regime

By Joe Kelly, The Australian, Mar 1, 2011

<http://www.theaustralian.com.au/national-affairs/climate-change-adviser-recommends-agriculture-be-included-under-a-carbon-price-regime/story-fn59niix-1226014181851>

Australian politics churning

By Jo Nova, JoNova, Mar 4, 2011

<http://joannenova.com.au/2011/03/australian-politics-churning/#more-13732>

EPA and other Regulators on the March

Social Cost of carbon for Regulatory Impact Analysis

Under Executive Order 12866 Feb 2010

<http://www.epa.gov/oms/climate/regulations/scc-tsd.pdf>

The Benefits and Costs of the Clean Air Act from 1990 to 2020: Final Study

By EPA, March 1, 2011

<http://www.epa.gov/air/sect812/feb11/fullreport.pdf>

[SEPP Comment: In the past few days, the links changed. This is the latest.]

Close the EPA

It's time to stop funding carbon mysticism with taxpayer dollars

Editorial, Washington Times, Mar 3, 2011

<http://www.washingtontimes.com/news/2011/mar/3/close-the-epa/>

EPA Extends Emissions Reporting Deadline

By Ryan Tracy and Stephen Power, WSJ, Mar 2, 2011

http://online.wsj.com/article/SB10001424052748703559604576174793353732736.html?mod=ITP_pageone_1

[SEPP Comment: The article may be behind a paywall.]

Subsidies and Mandates Forever

Bureaucrats can't change the way we drive ... but they keep trying

By Fred Barnes, Weekly Standard, Mar 1, 2011

<http://washingtonexaminer.com/opinion/op-eds/2011/03/bureaucrats-cant-change-way-we-drive-they-keep-trying>

Energy Issues

Deliberately making Americans poorer

Obama's energy policies hit hardest below the poverty belts

By Richard Rahn, Washington Times, Feb 28, 2011

<http://www.washingtontimes.com/news/2011/feb/28/deliberately-making-americans-poorer/>

A Home for Captured Carbon Dioxide

By Matthew Wald, NYT, Mar 1, 2011

<http://green.blogs.nytimes.com/2011/03/01/choosing-a-home-for-captured-carbon-dioxide/?ref=science>

Explain Redactions in Yucca Mountain Safety Report, NRC Panel Tells Agency

By Staff Writers, Power News, Mar 2, 2011 [H/t Toshio Fujita]

http://www.powermag.com/POWERnews/Explain-Redactions-in-Yucca-Mountain-Safety-Report-NRC-Panel-Tells-Agency_3498.html

Oil and Natural Gas – the Future or the Past?

The Michael Lynch Power Hour Interview

By Alex Epstein, Master Resource, Mar 4, 2011

<http://www.masterresource.org/2011/03/lynch-power-hour-interview/#more-14251>

[SEPP Comment: A commentary on the problems of 'peak oil'. Oil production is not only geology, but also, economics, technology, and politics.]

This Is No Time to Discourage U.S. Oil and Gas Production

The president wants to cut \$4.4 billion in 'tax breaks' for Big Oil. This would cost consumers far more in higher prices and greater reliance on foreign supplies.

By Robert Bryce, WSJ, Feb 26, 2011

http://online.wsj.com/article/SB10001424052748704900004576152431935573812.html?mod=ITP_opinion_0

[SEPP Comment: The article may be behind a paywall.]

Alternative, Green Energy

Wind Power: Questionable Benefits, Concealed Impacts

By Paul Driessen, TownHall, Feb 28, 2011

http://townhall.com/columnists/pauldriessen/2011/02/28/wind_power_questionable_benefits_concealed_impacts

Too-Green-To-Fail Energy Policies Flunk Achievement Tests

By Larry Bell, Forbes, Mar 1, 2011

<http://blogs.forbes.com/larrybell/2011/03/01/too-green-to-fail-energy-policies-flunk-achievement-tests/>

The real cost of ‘global warming’

By James Delingpole, Telegraph, UK, Feb 28, 2011 [H/t Anne Debeil]

<http://blogs.telegraph.co.uk/news/jamesdelingpole/100078040/the-real-cost-of-global-warming/>

Study says green sector costs more jobs than it creates

By Staff Writers, BBC, UK, Feb 28, 2011 [H/t Anne Debeil]

<http://www.bbc.co.uk/news/uk-scotland-12597097>

The study claimed 3.7 jobs were lost for every one created in the UK renewables sector

How Green Is Your Lost Job?

Editorial, IBD, Mar 1, 2011

<http://www.investors.com/NewsAndAnalysis/Article/564579/201103011820/How-Green-Is-Your-Lost-Job-.htm>

Study: Meeting biofuel goal may be costly

Staff Writers, UPI, Feb 17, 2011 [H/t Toshio Fujita]

http://www.upi.com/Science_News/2011/02/17/Study-Meeting-biofuel-goal-may-be-costly/UPI-36541297989433/

Obama’s green subsidies attract do-gooder bandits

By Timothy Carney, Washington Examiner, Feb 27, 2011

<http://washingtonexaminer.com/politics/2011/02/obamas-green-subsidies-attract-do-gooder-bandits>

Pumping Oil with Sunshine

New thermal plant uses a greenhouse to make solar steam cheap

By David Biello, Scientific American, Mar 1, 2011 [H/t Warren Wetmore]

<http://www.scientificamerican.com/article.cfm?id=pumping-oil-with-sunshine-slide-show>

[SEPP Comment: Innovative use of a greenhouse to keep the solar panels clean and protected from wind, etc., in order to pump oil more efficiently.]

California Dreaming

California Senate Approves 33% RPS Measure

By Staff Writers, Power News, Mar 2, 2011

http://www.powermag.com/POWERnews/3495.html?hq_e=el&hq_m=2153507&hq_l=9&hq_v=5e660500d0

[SEPP Comment: California lemmings are determined to win the race to the cliff.]

Review of Recent Scientific Articles by NIPCC

For a full list of articles see www.NIPCCreport.org

Surface Air Temperatures Over the Arctic Ocean

Reference: Liu, J., Zhang, Z., Hu, Y., Chen, L., Dai, Y. and Ren, X. 2008. Assessment of surface air temperature over the Arctic Ocean in reanalysis and IPCC AR4 model simulations with IABP/POLES observations. *Journal of Geophysical Research* 113: 10.1029/2007JD009380.

<http://www.nipccreport.org/articles/2011/mar/1mar2011a2.html>

Climate Change and Australian Bushfire Property Losses

Reference: McAneney, J., Chen, K. and Pitman, A. 2009. 100-years of Australian bushfire property losses: Is the risk significant and is it increasing? *Journal of Environmental Management* 90: 2819-2822.

<http://www.nipccreport.org/articles/2011/mar/1mar2011a4.html>

Effect of Elevated Ozone on Methane Emissions from Peatlands

Reference: Toet, S., Ineson, P., Peacock, S. and Ashmore, M. 2011. Elevated ozone reduces methane emissions from peatland mesocosms. *Global Change Biology* **17**: 288-296.
<http://www.nipccreport.org/articles/2011/mar/2mar2011a2.html>

The Role of Seagrasses in Earth’s Carbon Cycle

Reference: Kennedy, H., Beggins, J., Duarte, C.M., Fourqurean, J.W., Holmer, M., Marba, N. and Middelburg, J.J. 2010. Seagrass sediments as a global carbon sink: Isotopic constraints. *Global Biogeochemical Cycles* **24**: 10.1029/2010GB003848.
<http://www.nipccreport.org/articles/2011/mar/1mar2011a7.html>

The Changing Climate

New interpretation of Antarctic ice cores

By Staff Writers, Physorg, Mar 2, 2011 [H/t Toshio Fujita]
<http://www.physorg.com/news/2011-03-antarctic-ice-cores.html>

Other Scientific Issues

How much CO2 really contributes to global warming?

Spectroscopic studies and modeling of the influence of H2O, CO2, CH4 on our climate.
By Hermann Harde, Geophysical Research Abstracts, Vol 13, EGU2001-4505-1, 2011 [H/t Anthony Watts, WUWT]
<http://meetingorganizer.copernicus.org/EGU2011/EGU2011-4505-1.pdf>
[SEPP Comment: The results of this study contradict the widely accepted views of the effect of a doubling of CO2, with no feedbacks. No doubt the study will receive rigorous scrutiny, including efforts of replication.]

Observing Arctic ice-edge plankton blooms from space

Press Release, National Oceanography Centre, UK, Mar 4, 2011 [H/t WUWT]
<http://noc.ac.uk/news/observing-arctic-ice-edge-plankton-blooms-space>

DLR Researchers Contribute New Insights On Changes In The Ozone Layer

By Staff Writers, SPX, Feb 28, 2011 [H/t Toshio Fujita]
http://www.terradaily.com/reports/DLR_Researchers_Contribute_New_Insights_On_Changes_In_The_Ozone_Layer_999.html

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BELOW THE BOTTOM LINE:

A climate-change activist prepares for the worst

By Mike Tidwell, Washington Post, Feb 25, 2011 [H/t David Manuta]
<http://www.washingtonpost.com/wp-dyn/content/article/2011/02/25/AR2011022503176.html?referrer=emailarticle>

Small Nuclear War Could Reverse Global Warming for Years

Regional war could spark “unprecedented climate change,” experts predict.
By Charles Choi, National Geographic News, Feb 22, 2011 [H/t Anthony Watts, WUWT]
http://news.nationalgeographic.com/news/2011/02/110223-nuclear-war-winter-global-warming-environment-science-climate-change/?source=link_tw20110225news-nuclear

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ARTICLES:

1. Carbon dioxide tax – the People’s Revolt – I

By Bob Carter, Quadrant, Feb 24, 2011

<http://www.quadrant.org.au/blogs/doomed-planet/2011/02/carbon-dioxide-tax-the-people-s-revolt>

It is difficult to decide whether to be more astonished by the scientific ignorance or the political stupidity inherent in today's announcement by the Prime Minister and her Multi-party Climate Change Committee (MCCC) that a tax on carbon dioxide emissions will be introduced on July 1st, 2012.

The ignorance is displayed in the continual reference to a "carbon" tax in a situation where carbon (as opposed to carbon dioxide) has nothing to do with the issue at hand; plus the continual reference to "pollution", when carbon dioxide is actually an environmentally beneficial trace gas.

The political stupidity is manifest in the reality that the great majority of the Australian public - being fed up to the back teeth with continual and naked lobby group and government propagandizing on the issue - have long ago decided that dangerous global warming is a scam. For example, a recent online poll in *The Age* resulted in 89% of the respondents answering NO to the question "*Would you support a climate tax*" (that question, of course, being code for "*Would you support a tax on carbon dioxide emissions*").

On top of which there is the minor discrepancy that two of the world's largest emitters (India and USA) [China is the largest] have both indicated this year that they will no longer base their climate policy on advice from the United Nations' Intergovernmental Panel on Climate Change. Yet that selfsame flawed and partial advice is the sole justification for the multi-party committee's intended course of action.

Tony Abbott has rightly called for a People's Revolt against this ridiculous attempt to compulsorily reduce the living standards of all Australians with especial impact on the poorer ones. The good news for the leader of the opposition is that that revolt has already started, and is growing by the day.

Now that the battle lines have been drawn, the government will assuredly change over this issue - the only uncertainty is when.

2. Shhshh .. don't talk about the science

By Bob Carter, Quadrant, Feb 28, 2011

<http://www.quadrant.org.au/blogs/doomed-planet/2011/02/gillard-ignores-the-science>

Carbon dioxide tax – the People's Revolt - Part II

This despite the irreconcilable breakdown of the Copenhagen and Cancun meetings that were aimed at achieving international agreement on similar action, and despite it now being clear also that cap-and-trade measures are dead for the foreseeable future in the USA.

This representing, first, a broken election promise of some magnitude, and, second, a stupid policy, it is not surprising that the announcement provoked an immediate blizzard of public criticism and resistance. Yet as I write, and after almost 4 days of saturation press coverage, not a single mainstream media commentator appears to have discussed the real issue at hand.

That issue is, of course, supposedly dangerous global warming caused by human carbon dioxide emissions. And note the two adjectives "supposedly" and "dangerous", for both are critically important to the debate that we are failing to have.

Instead of analysing the global warming issue – about which, more below – press commentary continues to endlessly recycle tired, stale, sanctimonious and entirely misleading clichés about carbon pollution, climate change and energy efficiency. Everyone, it seems, has a strong opinion, yet almost none of these

opinions are grounded in the empirical science facts that society used to view as the essential basis for good public policy decisions.

So what about the famous global warming which occurred in the late 20th century, whatever happened to that? Well, not only did the gentle warming terminate in 1998, but in accord with natural climate cycling that warming has been followed by a gentle cooling since about 2001. That's ten years of no temperature increase, let alone dangerous increase, over the same time period that atmospheric carbon dioxide increased by about 5%.

Run that past me again, Professors Garnaut and Flannery – your advice to government still remains that human carbon dioxide emissions are causing dangerous global warming?

Do you understand the meaning of the phrases “empirical science” and “hypothesis testing”?

Do you understand that the correct null hypothesis is that gentle warmings, such as that which occurred between 1979 and 1998, and equivalent coolings, are to be viewed as due to natural causes unless and until evidence indicates otherwise. Gentlemen, where is that evidence, and why is it not presented in the voluminous reports of the Intergovernmental Panel on Climate Change (IPCC) that you and the government so often refer to?

Despite this lack of evidence for dangerous, or potentially dangerous, warming, and despite the lack of efficacy of cutting carbon dioxide emissions as a means of preventing the trivial warming that is likely to occur (cutting all of Australia's emissions would theoretically prevent, perhaps, around one-thousandth of a degree of warming), the political course in Canberra is now set on carbon tax autopilot, and the plane is flying squarely into the eye of a storm that is labelled “let's spin a regressive new tax as a virtuous environmental measure”.

For instance, the Prime Minister says:

I also want to be very clear with Australians about what pricing carbon does. It has price impacts. It's meant to. That's the whole point.

No, Prime Minister, that is not the point at all. The point is supposed to be attaining a meaningful reduction in future warming, which a carbon dioxide taxation policy will not achieve – even were it to successfully close down the entire industrial economy of Australia

Climate Minister Mr Combet believes that reducing “carbon pollution” to “drive investment in clean energy is fundamentally what a carbon price is about”.

No, Greg, the matter has nothing to do with either carbon or pollution, for the alleged dangerous warming is supposed to be produced by the atmospheric trace gas carbon dioxide. To call carbon dioxide a pollutant is an abuse of logic, language and science, given its pivotal role in the photosynthetic processes that underpin most of our planetary ecosystems. In essence, carbon dioxide is the very staff of life, and increasing it in the atmosphere helps most plants to grow better and to use water more efficiently.

And, so far as energy efficiency is concerned, the market itself will drive any needed changes in future energy supply, as hydrocarbon resources run down, without your wasting more billions of dollars of taxpayers funds in picking white elephant “winners”. If you want to encourage alternative energy then by all means subsidize the introduction of clean, green nuclear power in Australia rather than frittering away scarce public resources on uneconomic eco-bling like windmills and solar farms.

Minister Combet is also prone to saying: “We are committed to tackling climate change”. No, Minister, you are not. Instead, you are playing with ghosts in trying to “stop” a chimerical dangerous global warming, and that for entirely political reasons. Meanwhile, you are offering nothing by way of policy initiatives to deal with the actual and very real hazards that are associated with NATURAL climate events and change in Australia.

Relating to the El Nino-La Nina weather cycle, no part of Australia has escaped climatic hazard in the last two years. Events like the Victorian bushfires, the Queensland floods and landfalling tropical cyclones in northern Australia are of concern to every citizen, indeed some have been killed by these events and many others have sustained crippling personal or business costs.

Despite which, Mr Combet and PM Gillard and their expert climate advisers appear to have no interest in dealing with these only-too-real natural climate problems in a commonsense and cost-effective way, which is by preparing better for them in advance, and adapting better to them as and when they occur. Instead they are busy constructing a tornado of political spin about imaginary global warming.

Dragging another skeletal warhorse out of the cupboard, Mr Combet makes the highly original assertion that “Business needs the certainty of a carbon (sic) price”. Yes, it most certainly does, Minister, and as Terry McCrann has endlessly pointed out, that certainty should be a price for carbon dioxide emissions of zero dollars per tonne. Then the power utility companies can get on with planning the mix of new coal, gas and nuclear power stations that are now urgently needed to secure Australia’s future.

Never has an important national policy issue been so surrounded with public dishonesty and deliberate ambiguity of language as is the issue of dangerous, human-caused global warming.

Choreographed over the years by green lobby groups, politicians and commentators alike now participate like puppets-on-strings in an entirely faux public gigue involving words or phrases like “carbon” (when they mean carbon dioxide), “pollution” (when they are referring to an environmentally beneficial trace gas), “settled science” (when the science is hotly contested, and the onus of proof of danger still rests, unattained, with the climate alarmists of a discredited IPCC), “climate change” (when they mean dangerous global warming), “energy efficiency” (in the same breath that they rule out the environmentally friendly baseload energy source represented by nuclear power) and “international good citizen” (at a time when international action on climate policy has never been less certain).

It is therefore entirely unsurprising that there has been a swing in public opinion against alarmism on global warming, though nervous Labor politicians are doubtless already sucking in deep breaths of surprise at the apparent strength of the swing. One recent online poll, in *The Age* of all places, received an 89% NO answer to the question “Would you support a climate tax?”; and another, in the *Herald-Sun* and with more than 30,000 respondents, received an 85% NO to the question “Do you support a price on carbon (sic)?”.

Plans are already being made for a series of public protest rallies in metropolitan centres on March 23rd, and other organized protests and resistance are inevitable. Any reader who wishes to help fight the introduction of Prime Minister Gillard’s new carbon dioxide tax is invited to send an email expressing such interest to thepeoplesrevolt@talkingclimate.ruralsoft.com.au. An online petition has also been organised and can be viewed [here...](#)

As I wrote in [Part I](#) of this article last Thursday, the government’s intention to introduce a carbon dioxide tax represents “a ridiculous attempt to compulsorily reduce the living standards of all Australians, with especial impact on the poorer ones”.

In the interest of good governance and sound environmental stewardship, I urge readers to reject this costly, inefficient, ineffectual, inequitable and unnecessary tax.

Professor Bob Carter is a geologist, environmental scientist and Emeritus Fellow at the Institute of Public Affairs. The views expressed in this article are, however, entirely his own.

3. Time to Get Serious About American Oil

Why is Washington blocking oil exploration in states like Alaska and Louisiana when the Middle East is such a powder keg?

By Sean Parnell, WSJ, Mar 3, 2011

http://online.wsj.com/article/SB10001424052748703559604576176290352982046.html?mod=WSJ_Opinion_LEADTop

The revolution that began in Tunisia, spread to Egypt, and is now dramatically unfolding in Libya is far from over. The events in North Africa and the Middle East threaten to push the price of oil well above \$100 a barrel—and make the importance of oil to America's security clearer than ever.

Over the past several decades, we have allowed ourselves to become dependent on oil from unstable regions that are hostile to our nation. The United States relies on an open Suez Canal, the security of which has been funded by our tax dollars for decades. With gasoline prices surging, and manufacturing and transportation costs rising, the rising cost of goods will soon impact every American, putting our economic recovery at risk.

The U.S. imports more than 63% of its oil. The time is now for our federal government to re-examine its current policy—which severely hampers domestic oil exploration and development—and to learn from our recent history.

In the 1970s, the OPEC embargo led to long lines at gas stations, with families waiting for hours to buy gas for their cars. Rationing was enacted, and Americans fought each other for a gallon of gas. The power of OPEC was indisputable.

One of the most significant outcomes of that embargo was the Trans Alaska Pipeline System. Americans knew we needed to develop domestic energy to balance the power of cartel oil. For 40 years, oil from Alaska has allowed our nation to stand with some degree of energy independence. Building that pipeline on American soil was prescient.

Millions of American jobs are directly tied to our energy production. Even as the energy sector necessarily diversifies, oil will continue to be a key piece of our national energy profile for many decades.

And yet Alaska and the Gulf states have been blocked from developing America's oil by politically driven federal policy, much of it aided by misinformation. If Americans wonder what our economic Achilles' heel is, they need look no further than the federal regulatory system that delays permits for domestic exploration and production.

In Alaska, an oil company can buy federal leases, spend over \$3 billion in permitting and capital costs, apply for an air permit from the Environmental Protection Agency (EPA), and then wait for five years and still have no permit. In one case, the EPA's refusal to grant a permit for Royal Dutch Shell to drill in the Beaufort Sea delayed the creation of 54,700 jobs annually and \$145 billion in payroll.

Alaskans have significant limits placed on us by the federal government, but we are hardly alone. In Wyoming, it takes years to get permits for oil-related development. Republican Gov. Matt Mead has

asked the Interior Department to rescind its "Wild Lands" policy, which removes a state's discretion for land use. Last year Gov. Bobby Jindal (R., La.) pleaded with the Obama administration to end the moratorium on deep-water drilling in the Gulf of Mexico, which affects 33 permitted exploratory wells. To date, only one new well has been approved.

Meanwhile, the EPA received a \$3 billion increase in its budget last year. It produced 42 significant regulation packages in the first 18 months of the current administration, each costing our economy tens of millions of dollars.

Lost American jobs are one consequence of not developing our domestic oil, but there are others. By shutting down domestic production, the Department of Interior and the EPA are now essentially driving U.S. foreign policy in the Middle East. The State Department is relegated to a reactive role because we remain dependent on foreign oil.

By delaying leasing and permitting for exploration and development, and by locking up lands without congressional approval or authority, these agencies have locked down domestic oil with no responsibility for the consequences. The rest of us feel them: increased reliance on Middle East oil and lost economic opportunity.

As we watch fuel prices rise, inflation take hold, and government debt reach record levels, Alaskans and those in other oil-producing states are frustrated. We wonder why the Obama administration is openly hostile to a sector of our economy that has created hundreds of thousands of jobs, kept the country on an even keel even during the recession, and produces a global commodity we depend on every day.

As residents of our individual states, we desire responsible resource development. We don't want to live and work in a spoiled nest. We also want to create jobs that contribute to our economic recovery. Why should we spend billions overseas for foreign oil when we could spend those dollars here at home?

Mr. Parnell, a Republican, is the governor of Alaska.

4. Tax Reform Exhibit A

How Whirlpool parlays green credits into zero tax liability

Editorial, WSJ, Mar 3, 2011

http://online.wsj.com/article/SB10001424052748704506004576174321393436988.html?mod=WSJ_Opinion_AboveLEFTTop

Our liberal friends often complain that U.S. businesses pay too little in taxes, despite the world's second highest corporate tax rate. What they don't say is that one reason is because liberals keep writing loopholes. Consider how Whirlpool, the giant home appliance maker, has parlayed green energy subsidies to erase its tax bill.

Whirlpool Corporation recorded \$18 billion in global sales and \$619 million of earnings in 2010 but won't pay anywhere near the U.S. statutory tax rate of 35% on those profits. Its effective tax rate will be 0%.

As Bloomberg first reported last week, Whirlpool has stockpiled more than \$500 million in tax credits for making energy-saving "energy star" appliances—washers, dryers, refrigerators and so on. The firm gets a production tax credit of up to \$200 per refrigerator, \$75 per dishwasher, and \$225 per washer and dryer. General Electric has also collected about \$200 million of these credits.

Think of these energy efficiency tax carve-outs as a version of the earned income tax credit for corporate America. Except Whirlpool and GE aren't poor.

The deal gets sweeter. Those credits can be carried over from one year to the next for up to 20 years. Whirlpool is collecting so many credits that it may not have to pay a dime of corporate income tax for years. The lost revenue from GE and Whirlpool alone far exceeds the \$78 million revenue "cost" over 10 years that Congress's Joint Committee on Taxation predicted for the credits.

These appliance credits are in addition to \$300 million the feds gave to states as part of the 2009 stimulus to pay rebates to consumers for buying these same goods. So there's one subsidy to make the machines and another to buy them. The Department of Energy says these appliances save families money by reducing energy use by more than half. If that's true, why does the government have to bribe people to make these purchases?

Our point isn't to pick on Whirlpool, which employs 22,000 Americans and competes with tough foreign rivals like Korea's Samsung and LG. The company is maximizing returns to shareholders by cashing in on the loopholes that Congress writes.

Jill Saletta, Whirlpool's communications director, tells us that the energy tax credits "help support our continued focus on investing in high efficiency products going forward, which is good for our consumers, the economy, retention of U.S. jobs, and the environment." She adds that "remaining competitive in today's global marketplace is a top concern for Whirlpool Corporation. Taxes, administrative and other costs are higher in the U.S. than in some other countries."

That's for sure. But such favoritism makes the U.S. tax system even less competitive. Tax credits mean little or no liabilities for firms that win most-favored-tax status in Washington, but companies without the right lobbyists or friends in Congress pay a punitive 35% rate that even Europeans have long since abandoned.

Special favors like these also create a business constituency against tax reform that would benefit the overall economy. Whirlpool carries its \$500 million of unused tax credits as an asset on its balance sheet, so cutting tax rates shrinks the book value of that asset. "This is why so many companies actually oppose lowering tax rates," says Scott Hodge, president of the Tax Foundation.

The White House claims to want to reduce corporate tax rates in a "revenue neutral way" by closing loopholes. Yet it's hard to take that commitment seriously when its new budget proposes to extend the green-credit windfall for another year. Whirlpool is one more case study in the case for corporate tax reform.

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