

FRIDAY, SEPTEMBER 22, 2006

THE WEEKLY CLOSER

U.S. SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE
MAJORITY PRESS OFFICE

VOLUME 2, NUMBER 24

THE WEEK IN REVIEW...

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<u>September 26, 2006</u>

Full committee business meeting. To consider pending nominations, resolutions, and legislation. POSTPONED from September 21, 2006.

9:30 AM

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<u>September 28, 2006</u>

QUOTE OF THE WEEK...

"The hundreds of billions of dollars per year it would cost the global economy to significantly reduce CO2 emissions would be of little or no benefit to humanity. When the scholars of the Copenhagen Consensus ranked seventeen challenges facing humanity, the three best investments were fighting communicable diseases, fighting malnutrition and hunger by providing micronutrients, and liberalizing trade, while the three worst investments all had to do with reducing CO2 emissions to mitigate global warming. Money would be far better spent on AIDS and malaria prevention, water sanitation, and nutrition."

-E. Calvin Beisner, Ph.D., Associate professor of historical theology and social ethics Ethics at Knox Theological Seminary, National spokesman for the Interfaith Stewardship Alliance

INHOFE COMMENTS ON NEW EPA PM RULE

On Thursday, Senator Inhofe commented on the Environmental Protection Agency's (EPA) final rule on national ambient air quality standards (NAAQS) for particulate matter.

"I am disappointed that EPA is tightening the particulate matter standard in today's final rule. Recognizing that Administrator Stephen Johnson is a scientist himself, I respect his judgment and his command of the science, but I respectfully disagree that this new rule meets the threshold burden of proof necessary to impose these costly requirements on our nation's economy," Senator Inhofe said.

The nation's air pollution has been reduced by more than half since 1970, and has especially improved in the eastern half of the country, where under the leadership of President Bush, NOx emissions have dropped by nearly 60% in the last five years alone. These reductions have come despite a growing population and economy and an explosion in energy use. As the American Lung Association has noted, "air quality has improved throughout the nation. The air is cleaner than it was 50 years ago. Improving air quality has improved the lives of countless Americans."

"Unfortunately, clean air progress has not been uniform across the country, as

Subcommittee on Superfund and Waste Management Hearing will hold a legislative hearing to consider S. 3871, a bill directing the EPA to establish a hazardous waste electronic manifest system.

9:30 AM

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some regions are not expected to comply with existing law," Senator Inhofe said. "Recognizing this fact, I recently introduced legislation to ensure that the nation's worst polluted areas comply with the laws of the land. The simple fact is that more than half of the avoidable deaths from air pollution in this country occur in California, and most of these lives could be saved if the worst polluted areas were to attain the same clean air standards that the rest of the nation is going to meet. Passing my bill would eliminate thousands of deaths in the worst polluted areas. Finally, my bill will do far more to save lives than the approach taken by special interest groups, who are today calling for even tighter standards everywhere, while ignoring that the most polluted areas are not expected to attain even existing standards, so further tightening the rule will do nothing to safeguard these people's lives."

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OPENING STATEMENT: HEARING TO EXAMINE APPROACHES EMBODIED IN THE ASIA PACIFIC PARTNERSHIP

Wednesday, September 20, 2006

Today's hearing is on the Asia Pacific Partnership and the underlying approaches embodied in this Administration initiative. Before we proceed, let me once again state my belief that global warming alarmism is a hoax and that my belief has only strengthened with each passing month as the new science comes in, such as findings in peer-reviewed literature over the last few years that the Antarctic is getting colder and growing, not warmer and shrinking. And recent projections by the Russian Academy of Sciences that we are about to enter a global cooling phase. And earlier this week, a study in Geophysical Research Letters found that the sun is responsible for about 50% of the observed warming since 1900. So today's hearing should not be misconstrued as a global warming hearing.

The climate alarmism we hear in the media about impending planetary doom has taken on a striking resemblance to the classic children's story of Chicken Little. As you would recall, the ending was not pleasant – not because the sky fell, but because Chicken Little and his followers reacted unwisely out of fear. The lesson? Having the courage and wisdom to act wisely when faced with fear. But this lesson appears to have been forgotten in the modern sky-isfalling alarmism of global warming.

One proposed, yet unwise, course of action is to impose hard caps on carbon dioxide. It is widely recognized that these are feel-good proposals that would do little to seriously address man-made climate change, even assuming the alarmists are right about the science, which they are not. The Kyoto Protocol, even if the U.S. had joined and every nation complied, would only have reduced global temperatures by 0.07 degrees Celsius – a negligible amount. Yet all but two of the EU-15 will not reach their targets because the reality is a cap on carbon is a cap on the economy through the rationing of energy. In the United States alone, the costs of complying with Kyoto would have cost \$2,700 per household and 2.4 million jobs, according to the Wharton Econometric Forecasting Associates.

Any approach to climate change must begin with the realization that energy growth is essential to pursuing our many competing priorities and that any approach which threatens that is unsustainable. I look forward to the testimony of the witnesses at today's hearing on how to pursue multiple goals and how to prioritize them in the context of the Asia Pacific Partnership.

Abundant growing energy has been and will continue to be a major driving force behind our economy. Our stock market is nearing record highs, wages and salary are increasing 10% annually and Gross Domestic Product is expanding faster than any other major industrialized country – up 20% since President Bush's 2003 tax cut. And our energy use is also quickly expanding. The fact is: energy and economic growth go hand and hand. The Asia Pacific Partnership is not about climate change, but about working to achieve an energy abundant future that looks at the whole picture. Through technology transfers, information sharing and other aspects of the partnership, the members will work toward growing their energy supplies while reducing the serious problem of air pollution, such as SO2, NOx, and mercury in some of these countries. They will work toward cost-effective energy efficiency projects, which reduce the amount of fuel necessary to generate the same amount of power and, incidentally, reduce carbon dioxide along with real pollutants.

That is why I support full funding of this important Administration initiative.

I am particularly interested in the testimony of two of our witnesses, who will examine why increasing technology is superior to a carbon cap approach. Bjorn Lomborg will examine today's topic from an economic perspective and Cal Beisner will examine it from an ethical perspective.

Thank you.

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NEW CBO STUDY "FLAWED"

Senator Inhofe commented Tuesday on the Congressional Budget Office (CBO) new study titled, "Evaluating the Role of Prices and R&D in Reducing Carbon Dioxide Emissions." The new report ignores many of the most critical issues – most importantly, the devastating impact on our manufacturing sector caused by fuel switching to natural gas by power generators.

"The CBO recommendations would lead to the shut down of coal-fired power plants and export additional American jobs overseas," Senator Inhofe said. "The report completely fails to acknowledge that the displacement of base load coal fired electric generation with natural gas will further exacerbate our nation's natural gas crisis. Already our nation has lost 100,000 American chemical jobs due to fuel switching. And a third of the fertilizing industry has moved overseas, increasing the costs or raising crops on our nation's farmers.

"Finally, and perhaps most telling, the CBO report is predicated on underlying

assumptions about science and economics that are highly suspect, at best. For instance, the one place in the world where its recommendations have actually been attempted is in Europe under the Kyoto Protocol, where member states and the EU itself have implemented emissions taxes as well as the cap-and-trade options that the paper purports to analyze. And that laboratory has shown the approach is seriously flawed, where only two of the EU-15 will meet their targets, and Europe's economies are suffering. Yet the report is silent on this real world test of the report theories."

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IN CASE YOU MISSED IT...

DR. E. CALVIN BEISNER TESTIMONY: HEARING TO EXAMINE APPROACHES EMBODIED IN THE ASIA PACIFIC PARTNERSHIP

Wednesday, September 20, 2006

Mr. Chairman, members of the Committee, and distinguished guests, thank you for inviting me to speak to you today. Having never before this year been significantly involved in politics other than to vote in elections, it is strange to find myself here. But my moral convictions as a Christian persuade me that I must speak out on an issue on which literally millions of lives hang in the balance.

As a professor of Christian ethics, I distinguish principles and motives from applications. God through His Word has given us absolute moral principles: You shall have no other gods before Me; you shall not worship idols; you shall not take the name of the Lord in vain; remember the Sabbath day to keep it holy; honor your father and mother; you shall not murder, commit adultery, steal, bear false witness, or covet. As for motives, He says, "Do justice, love mercy, and walk humbly with your God" (Micah 6:8). These Ten Commandments and these three motives apply to all people, everywhere, in all circumstances.

But it isn't always obvious how principles apply, and even with the best motives we may unintentionally do great harm. It is easy to look at an apparent threat and think, "We can solve that this way." But sometimes we misunderstand the nature, causes, or extent of the threat, or fail to compare one threat with others that might be more significant, and so we prescribe solutions that won't work, that unintentionally cause more harm than they prevent, or that divert investment from more helpful measures. What would have happened, for example, had Congress legally mandated the use of DES, a drug widely thought in the 1950s to reduce the risk of miscarriage later but found to be ineffective for that but to raise the risk of cervical and uterine cancer for women exposed to it in utero? Great harm, instead of the good intended—and reversing its use would have taken far longer than it did without the legal mandate.

For eighteen years I have been studying the ethics, economics, and science of

environmental stewardship, especially global warming. I have read major books on global warming by leading scientists on all sides of the controversy, studied the IPCC Assessment Reports, and read hundreds of scholarly and popular articles. My study convinces me that there is a major disjunct between the best science and economics in the field, on the one hand, and popular media and public opinion, on the other. Time forbids detail here, but I have submitted fuller written testimony and request, Mr. Chairman, that it be included in the record.

Popular opinion is that human emissions of carbon dioxide are the majority cause of current warming, which is greater than any in history and will become catastrophic by the middle of this century, and that we can and must prevent that catastrophe by reducing CO2 emissions. In contrast, as climatologist Roy Spencer, environmental economist Ross McKitrick, energy policy analyst Paul Driessen, and I argued in "A Call to Truth, Prudence, and Protection of the Poor: An Evangelical Response to Global Warming" (www.interfaithstewardship.org), submitted herewith, the best science and economics indicate that

- current warming is within the range of natural variability;
- human emissions of CO2 are a minor cause of global warming, but they enhance plant growth and so contribute to feeding the human population and all other species;
- global warming is unlikely to become catastrophic in the foreseeable future:
- no achievable reductions in CO2 emissions would reduce future temperature detectably, let alone enough to avert catastrophe; and
- such efforts would fruitlessly divert scarce resources from other endeavors that would be of far greater benefit to humanity.

Rather than focus narrowly on a single problem, we must choose carefully where to invest our limited resources. The hundreds of billions of dollars per year it would cost the global economy to significantly reduce CO2 emissions would be of little or no benefit to humanity. When the scholars of the Copenhagen Consensus ranked seventeen challenges facing humanity, the three best investments were fighting communicable diseases, fighting malnutrition and hunger by providing micronutrients, and liberalizing trade, while the three worst investments all had to do with reducing CO2 emissions to mitigate global warming. Money would be far better spent on AIDS and malaria prevention, water sanitation, and nutrition.

A clean, healthful environment being a costly good, wealthier communities better afford it than poorer ones, and affordable energy is crucial to creating wealth. Electrifying the billion or more homes that use wood and dung as their chief fuels for heating and cooking would eliminate most of the 1.6 million premature deaths per year that the World Health Organization attributes to indoor smoke. Sharing technology with rapidly growing economies like India and China would speed both their adoption of cleaner fuels and their economic development. The strong correlation between economic development and improved health and life expectancy underscores the morality of such a policy. It would be morally unconscionable to force the world's developing countries to delay their climb out of poverty by denying

them, as would any serious cuts in CO2 emissions, the cheap, abundant energy available from carbon fuels.

The Bible tells us to "remember the poor" (Galatians 2:10). We need not, in order to identify the morally preferable global climate policy, resolve the enormously complex controversy over the causes and extent of global warming or the possibility of mitigating it. There is one thing we already know quite well: a richer society endures any catastrophe better than a poorer one. If we want to help the world's poor, we shall do so far better by helping them become wealthy and able to adapt to whatever temperature the future holds than by slowing their economic development, condemning them to additional generations of poverty and its attendant suffering, and depriving them of the wealth they need to triumph over any future catastrophe. I urge you, therefore, to support policies that will promote economic development—for the sake of both the world's poor, and the world's environment.

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BJØRN LOMBORG TESTIMONY: APPROACHES EMBODIED IN THE ASIA PACIFIC PARTNERSHIP

Wednesday, September 20, 2006

Global warming has become one of the preeminent concerns of our time, and this often clouds our judgment and makes us suggest inefficient remedies. As a result, we risk losing sight of tackling the most important global issues first, as well as missing the best long-term approach to global warming.

Yes, global warming is real, and it is caused mainly by CO₂ from fossil fuels. The total cost of global warming is \$5-8 trillion, which ought to make us think hard about how to address it.

However, the best climate models show that immediate action will do little good. The Kyoto Protocol will cut CO_2 emissions from industrialized countries by 30% below what it would have been in 2010 and by 50% in 2050. Yet, even if everyone (including the United States) lived up to the protocol's rules, and stuck to it throughout the century, the change would be almost immeasurable, postponing warming for just six years in 2100.

Likewise, economic models tell us that the cost would be substantial – at least \$150 billion a year. In comparison, the United Nations estimates that half that amount could permanently solve all of the world's major problems: it could ensure clean drinking water, sanitation, basic health care, and education for every single person in the world, now.

Global warming will mainly harm developing countries, because they are more exposed and poorer and therefore more vulnerable to the effects of climate change. However, even the most pessimistic forecasts from the UN project that by 2100 the average person in developing countries will be richer than the average person in developed countries is now.

So early action on global warming is basically a costly way of doing very little for much richer people far into the future. We need to ask ourselves if this should, in fact, be our first priority.

Two Copenhagen Consensus priority setting roundtables, with some of the world's top economists and the top UN ambassadors similarly found that Kyoto comes far down the list of global priorities (see attached priorities).

This does not mean doing nothing, but doing the clean, clever and competitive thing. Climate change should be addressed where effect is high and costs limited. Such an example is the "Asia-Pacific Partnership", which focuses on energy efficiency and diffusion of advanced technologies in electricity, transport and key industry sectors. Because it focuses on some of this century's biggest emitters, including China, India and the US, it is forecast to reduce global carbon emissions with 11% in 2050– for reference, a full Kyoto would only reduce emissions by 9% in 2050.

In essence, the AP6 is picking up the smart, low-hanging fruits; good examples would include the many Chinese coal plants that have heat rate efficiencies around 25%, compared to U.S. coal plants, which have efficiencies of 33-36%. The U.S. has a lot of expertise in retrofits and improving the efficiency of coal plants in China would not only reduce fuel inputs and air pollution, but CO_2 as well.

The cost of the AP6, however, is unclear at the moment. It is seen as cheap and voluntary, but it is doubtful that entirely voluntary measures will achieve all of the AP6 potential. And certainly, in the long run, more clever measures will be needed.

For the future after 2012 we need not to propose more Kyoto-style immediate cuts, which would be prohibitively expensive, do little good, and cause many nations to abandon the entire process. We should rather be focusing on investments in making energy without ${\rm CO}_2$ emissions viable for our descendants. This would be much cheaper and ultimately much more effective in dealing with global warming. I would suggest a treaty binding every nation to spend, say, 0.05% of GDP on research, development and demonstration of non-carbon-emitting energy technologies. This would, worldwide provide some \$25 billion in RD&D – an almost 25-fold increase.

This approach would be five times cheaper than Kyoto and many more times cheaper than a potential Kyoto II. It would involve all nations, with richer nations naturally paying the larger share. Perhaps developing nations should being phased in or mechanisms put in place to assist them financially and technically as in the AP6. It would let each country focus on its own future vision of addressing the energy and climate change challenge, whether that means concentrating on renewables, fission, fusion, conservation, carbon storage, or searching for new and more exotic opportunities.

Such a massive global research effort would also have potentially huge innovation spin-offs. In the long run, such actions are likely to make a much greater impact than Kyoto-style responses. Researches at Berkeley actually envision that such a level of R&D could solve global warming in the medium term.

In a world with limited resources, where we struggle to solve just some of the challenges that we face, caring more about some issues means caring less about others. We have a moral obligation to do the most good that we possibly can with what we spend, so we must focus our resources where we can accomplish the most first.

Rather than investing hundreds of billions of dollars in short-term, ineffective cuts in CO_2 emissions, we should be investing tens of billions in research, leaving our children and grandchildren with cheaper and cleaner energy options.

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Marc Morano, Communications Director Matt Dempsey, Press Secretary