

The Washington Report

A publication by Congressman Devin Nunes

Has The Sun Set On The Golden State?

ALSO INSIDE:

THE ROAD TO PROSPERITY



2010

Welcome



Rep. Devin Nunes
www.nunes.house.gov

Dear Friend:

In the past year, Congress has accelerated federal spending, as well as our nation's long-term financial obligations, faster than at any point in American history. Each of us is responsible for the repayment of a portion of the growing debt which now exceeds \$13 trillion.

The future of our nation, its economic vitality, and the ability of our children and grandchildren to prosper depends on strong leadership today. The legislation known as "A Roadmap for America's Future" outlined in this magazine details an honest approach to restoring American prosperity while eliminating the debt. It is the only comprehensive plan now before Congress.

This magazine includes an overview of key issues confronting our nation and state, as well as the solutions needed to meet those challenges. Your feedback is essential and I encourage you to share your views with me by visiting www.nunes.house.gov.

Best Regards,

A handwritten signature in black ink that reads "Devin Nunes".

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Cover Story

*Has the sun
set on the*

Golden State?

P.4 “Over the past few years, we’ve witnessed the state government’s response to the capital and entrepreneur flight out of our state: Taxes remain high, and lawmakers employ all the tricks in the book to produce “balanced” budgets from shifting expenses around to borrowing ever larger sums of money,” Rep. Devin Nunes.

Congressman Nunes has a plan that would restore California’s economic vitality, while fundamentally reforming the state’s tax system and improving government efficiency.



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Has The Sun Set On The Golden State?

Businesses are fleeing California at record levels. Green jobs have failed to backfill lost manufacturing and other jobs.

By Devin Nunes

On Jan. 24, 1848, James Wilson Marshall found gold at Sutter's Mill, in Coloma, California, sparking a mad rush of some 300,000 people desiring to strike it rich. San Francisco grew from a tiny hamlet to a boomtown in no time, and in 1850 California entered the Union as the 31st state.

With this history at their back, state leaders might have understood that people have a propensity to get up and move when a better life is to be had elsewhere. But no. After more than 150 years of being a destination, California is rapidly becoming a place entrepreneurs, investment capital and the hardy workers who made it a global leader in agriculture, technological innovation and scientific research are fleeing. This exodus is the marker of something deeper than a national recession. It's evidence that the attempts by state leaders to spend their way back to prosperity are killing California.

While it has the sixth highest tax burden in the nation, according to the nonpartisan Tax Foundation, California continues to face multi-billion dollar budget deficits. The state's financial crisis comes on the heels of a decade-long spending spree. For example, in 2008 the state budget was \$146.5 billion, up from \$67.2 billion in 1998.

Citizens are burdened by all manner of state regulations. To mention just one example, a law enacted by ballot initiative bans cages chicken farmers use on the grounds that it is inhuman to put birds in cages that prevent them from spreading their wings. Complying with the new law will cost farmers hundreds of millions of dollars, which will force many to leave the state. And that will force us to buy our eggs from other states and, possibly, other nations, such as Mexico.

Just as a fallen tree can divert the flow of water in a creek, bad economic policies divert the flow of investment. Entrepreneurs and investors, seeking the path of least resistance, leave when it becomes easier to make a living in more business-friendly states. In 2000, according to the state's Department of Finance, about 150,000 Americans moved into California. But in the years that followed the in-migration slowed, and in 2005 it reversed, when a net 52,000 people moved out. In 2008, the outflow topped 135,000 people.

Consequently, Colorado, Utah and Wyoming all have unemployment rates under 7% at a time when California is suffering an unemployment rate of more than 12%. Californians are moving east and creating jobs in their new home states. Over the past few years, we've witnessed the state

government's response to the capital and entrepreneur flight out of our state: Taxes remain high, and lawmakers employ all the tricks in the book to produce "balanced" budgets from shifting expenses around to borrowing ever larger sums of money.

It's now time to turn to the ballot initiative and enact needed reforms that legislators in Sacramento have been unwilling to tackle on their own. We're on a dangerous fiscal course, and the people themselves will have to fundamentally change state government to correct it.

Two broad reforms are needed. The first is that we must create a part-time, nonpartisan citizen legislature -- a model that has proven effective in states like Texas (part-time) and Nebraska (part-time and nonpartisan). Californians need to be able to elect leaders whose primary interest is public service, not furthering their careers.

The second fundamental reform is on taxes and spending. Other states have passed a Taxpayers' Bill of Rights. We need to do the same and I have prepared a plan that would achieve these goals.

TWO-YEAR BUDGETING

A two-year budget would allow a part-time legislature the time it needs to hold hearings, conduct negotiations, and provide oversight to determine the state's spending priorities in the first year, while in the second, write and pass a budget.

END BUDGET STALEMATES

Ending budget stalemates is easier than it sounds if we enact reform. I propose the automatic adoption of the governor's proposed budget, provided it is free of tax hikes, if the legislature fails to pass its own budget by the Constitutional deadline.

This reform would give the legislature a compelling reason to move the budget along briskly, and it would end the frequent government shutdowns resulting from partisan bickering and gridlock.

NEW SPENDING CONTROLS

To prevent overspending, we need mandatory limits on the growth of government. State spend-

ing should not grow faster than inflation, and a 3% budget reserve must be established to prevent unanticipated expenditures, such as natural disasters, from creating a deficit.

My family has farmed in the San Joaquin Valley for three generations. I began to learn about finances and budgeting when I was 14 when I cracked open my piggy bank and bought seven head of young cattle. My plan was to raise and sell the animals but first I had to make an important decision. Would I buy feed or fix fences in exchange for free grazing? Like the flow of water down a furrow, my cattle went to pasture where I could make a higher profit.

The reforms I propose are significant. However, if we are to restore our state's economic vitality, we must learn to stop buying feed to eat for today and start mending fences to make our state better off in the long term. California commerce can again be the envy of the world if we fix the problems that created the financial and economic crisis.

The bottom line is that we should let the water of prosperity again flow unobstructed into our state. If it does, investors, businesses and jobs will return to the Golden State. ♦

REFORM HIGHLIGHTS

Restore civility to the
[California State Legislature](#)

PART-TIME LEGISLATURE
NON-PARTISAN REPRESENTATIVES

[Establish a taxpayer bill of rights](#)

TWO YEAR BUDGETS
END STALEMATES AND GRIDLOCK
NEW SPENDING CONTROLS



Prosperity Road

Government programs are going broke yet they are growing faster than ever. As entitlements consume the budget, the resources available for infrastructure, education, defense and other priorities are shrinking. Will Congress pave a road to prosperity or poverty?

By Devin Nunes

By all accounts, the federal government is on the road to financial ruin - dragging the American economy down with it. Unprecedented levels of spending by Congress have raised our national debt to more than \$13 trillion. This alarming figure, which translates to \$117,000 per American taxpayer, represents a significant burden. However, it doesn't take into account the projected annual deficits for the foreseeable future. Nor does it take into account that we have accumulated \$62 trillion in unfunded liabilities through our entitlement programs, such as Medicare and Social Security.

This debt, a growing portion of which is being financed by China and other nations, will require massive interest payments - payments that will soon consume more of our annual budget than defense spending. In time, our national debt will grow so large that it will smother our economy, leading to perpetual stagnation and high unemployment.

The President and Congressional Majority have hastened America's march toward financial crisis by adding trillions of dollars in new spend-

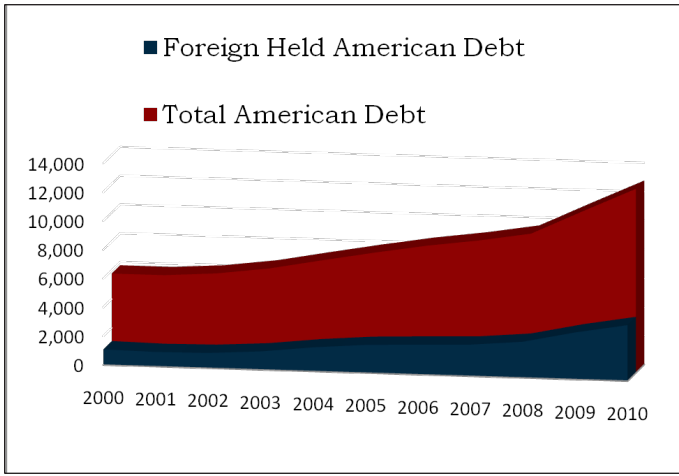
ing through legislation that also compounds the problem associated with our nation's unfunded liabilities. These short-sighted decisions are accelerating the erosion of Americans' health care and retirement security programs.

As Americans confront their government's recklessness and irresponsibly in managing our nation's finances, we must all come to terms with the reality that change is not only necessary but inevitable. The form of that change and whether or not our nation remains the free and prosperous place it has always been depends on the American people. Each of us has a choice to make - will we allow our country to remain on the road to economic ruin or will we chose a different path?

Putting the nation on a sound fiscal course may be one of the greatest domestic challenges in America's history. But it is also an extraordinary opportunity to restore a national character rooted in individual initiative, entrepreneurship, and opportunity - and to transform the federal government to the realities of the 21st century.

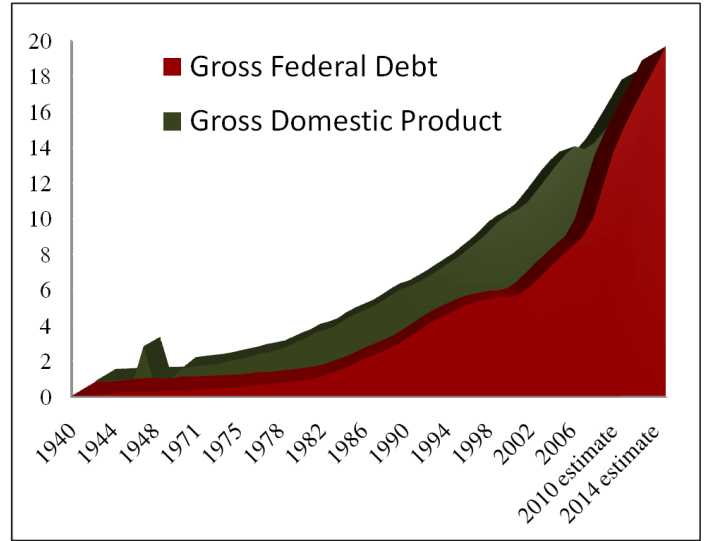
A Roadmap for America's Future is a comprehen-

WHO HOLDS THE U.S. NATIONAL DEBT



Foreign held American debt vs. total debt measured by dollars in trillions. Source: U.S. Treasury, 2009.

PROJECTED DEBT VS PROJECTED GROSS DOMESTIC PRODUCT



Projected U.S. debt vs. GDP in trillions of dollars. Source: Congressional Budget Office, 2009.

sive alternative to the big government ideology now prevailing in Washington, D.C. – an ideology that pursues a relentless expansion of government, creates a growing culture of dependency that already threatens to overwhelm the budget and smother the economy.

The Roadmap – updated since its introduction in 2008 to reflect the dramatic decline in the nation’s economic and fiscal condition – draws on Americans’ strengths to restore the nation’s legacy of leaving the next generation better off. It achieves three key objectives:

HEALTH AND RETIREMENT SECURITY

The plan ensures universal access to health insurance; and it rescues and strengthens Medicare, Medicaid, and Social Security – allowing them to fulfill their missions and making them permanently solvent.

LIFTING THE DEBT BURDEN

It returns Federal spending growth to sustainable rates, and lifts the huge projected debt burden from the shoulders of future generations.

AMERICAN JOBS AND COMPETITIVENESS

It promotes solid, sustained economic growth and

job creation here in America, and puts the United States in a position to lead – not merely survive – in the global marketplace. The plan also modernizes job training programs to meet the effects of globalization.

PLAN COMPONENTS

HEALTH CARE

The Roadmap for America’s Future ensures universal access to affordable health insurance by restructuring the tax code, allowing all Americans to secure affordable health plans that best suit their needs, and shifting the ownership of health coverage away from the government and employers to individuals.

- Provides a refundable tax credit – \$2,300 for individuals and \$5,700 for families – to purchase coverage in any state, and keep it with them if they move or change jobs.
- Establishes transparency in health care price and quality data, so this critical information is readily available before an individual needs health services.
- Modernizes Medicaid and strengthens the health care safety net by reforming high-risk

pools, giving states maximum flexibility to tailor Medicaid programs to the specific needs of their populations. Allows Medicaid recipients to take part in the same variety of options by using the tax credit to purchase high-quality care.

MEDICARE

The Roadmap secures Medicare for current beneficiaries, while making common-sense reforms to keep it solvent for the long term.

- Preserves the existing Medicare program for those 55 or older.
- For those currently under 55 – as they become Medicare-eligible – creates a Medicare payment averaging \$11,000 per year when fully phased in. Adjusts the payment for inflation, and pegs it to income, with low-income individuals receiving greater support. Provides risk adjustment, so those with greater medical needs receive a higher payment.
- In addition to the Medicare payment, establishes and fully funds Medical Savings Accounts (MSAs) for low-income beneficiaries (to cover out-of-pocket costs), while continuing to allow all beneficiaries, regardless of income, to set up tax-free MSAs.
- Makes Medicare permanently solvent, based on Congressional Budget Office (CBO) esti-

mates and consultation with the Office of the Actuary of the Centers for Medicare and Medicaid Services.

SOCIAL SECURITY

The proposal saves and strengthens this important retirement program and makes it sustainable for the long term.

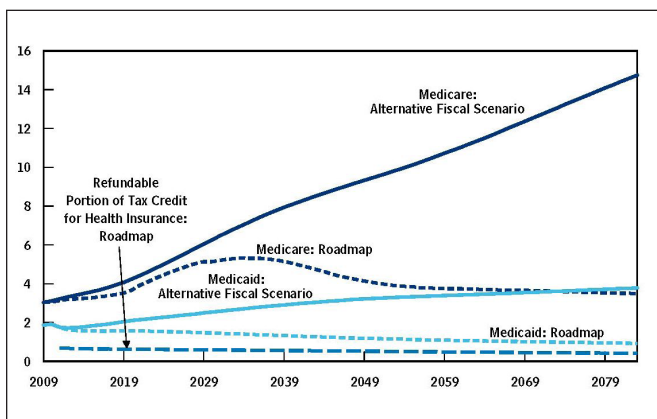
- Preserves the existing Social Security program for those 55 or older.
- Offers workers under 55 the option of investing over one third of their current Social Security taxes into personal retirement accounts, similar to the Thrift Savings Plan available to federal employees. Includes a property right so they can pass on these assets to their heirs, and a guarantee that individuals will not lose a dollar they contribute to their accounts, even after inflation.
- Makes the program permanently solvent, according to the CBO, by combining a more realistic measure of growth in Social Security's initial benefits, with a gradual, modest increase in the retirement age, consistent with Americans' improving lifespans.

TAX REFORM

The plan offers an alternative to today's needlessly complex and inefficient tax code, providing the option of a simplified mechanism that better promotes and rewards work, saving, and investment.

- Provides taxpayers a choice of how to pay their income taxes – through existing law, or through a highly simplified income tax system that fits on a postcard with just two rates and virtually no special tax deductions, credits, or exclusions (except the health care tax credit).
- Simplifies tax rates to 10 percent on income up to \$100,000 for joint filers, and \$50,000 for single filers; and 25 percent on taxable income above these amounts. Also includes a generous standard deduction and personal exemption (totaling \$39,000 for a family of four).
- Eliminates the alternative minimum tax.
- Promotes saving by eliminating taxes on interest, capital gains, and dividends; also eliminates the death tax.

HEALTHCARE SPENDING CURRENT VS. ROADMAP



Source: Congressional Budget Office, 2009.

- Replaces the corporate income tax – currently the second highest in the industrialized world – with a border-adjustable business consumption tax of 8.5 percent. This new rate is roughly half that of the rest of the industrialized world.

JOB TRAINING

The Roadmap helps the nation’s workforce prepare for success in the global economy by transforming 49 job training programs, scattered across eight agencies, into a flexible, dynamic strategy focused on results, and accompanied by clear measures of transparency and accountability. The plan requires the development of performance measures, and gives each state the option to consolidate funding into one program, if such an approach can be shown to improve outcomes and achieve job training goals.

WHY THE ROADMAP IS DIFFERENT

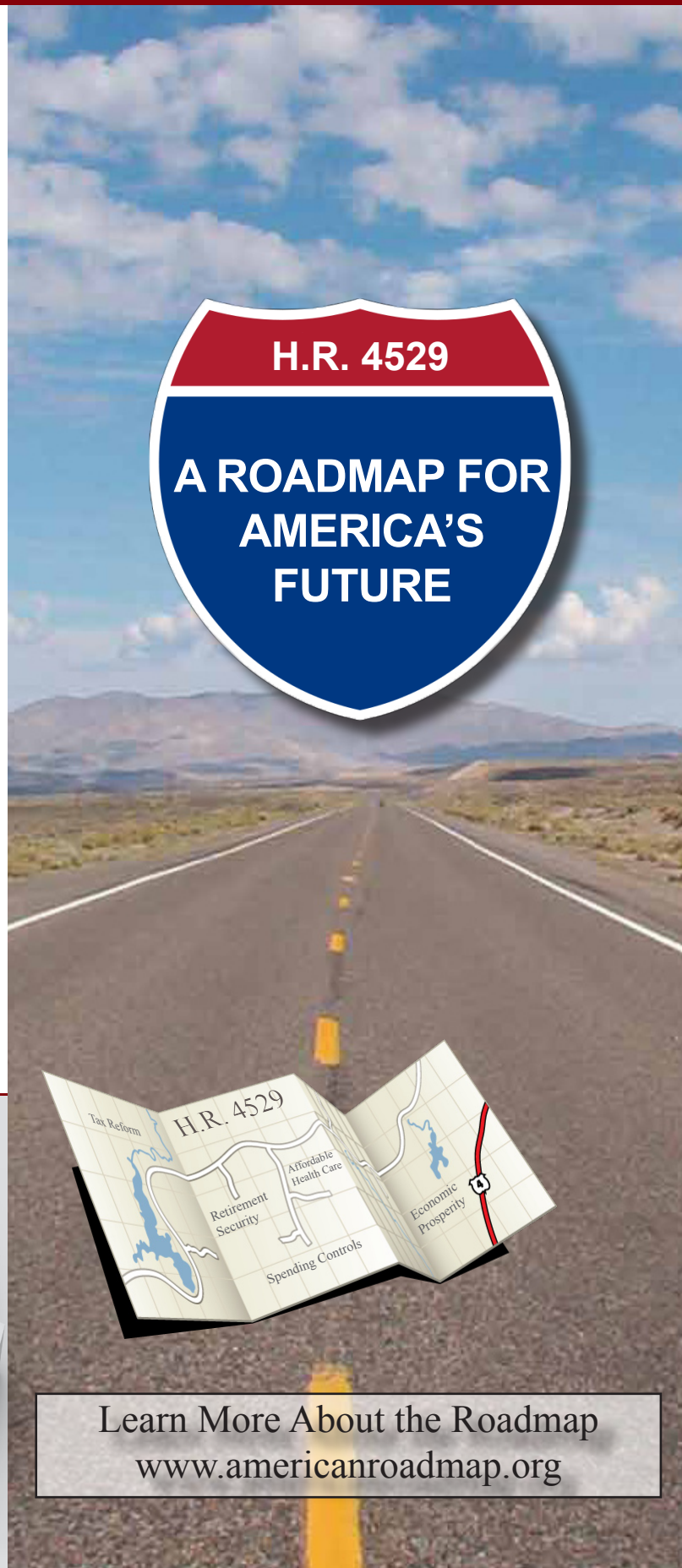
The status quo is not sustainable. But Washington’s current leaders are making matters worse. The Roadmap is not simply a slimmer version of the “progressive” government expansion now prevailing in Washington. It is a true alternative, and a complete legislative proposal consisting of specific policies supported by independent estimates of its fiscal and economic consequences. ♦

YOUR INPUT MATTERS

What do you think of The Roadmap? If you want more information or would simply like to share your views with Congressman Nunes, please send him an email via his website at:

WWW.NUNES.HOUSE.GOV

For your convenience, telephone, mailing and fax information can also be found on the website.



Learn More About the Roadmap
www.americanroadmap.org



A Roadmap for America's Energy Future

As the BP oil disaster grows to consume the energy debate, some in Congress have tried to revive energy rationing schemes including higher prices for fuel and new taxes on consumers. However, there is another plan known as the Roadmap for America's Energy Future.

By Devin Nunes

The pictures of oil gushing out of a wellhead a mile below the surface of the Gulf are profoundly disturbing. The disaster has raised legitimate questions about the safety of the Deepwater Horizon rig; some have begun to question again the legitimacy of offshore drilling all together. The causes of the accident must be investigated, those who are responsible must pay the full clean up and economic costs, and regulatory reform should be considered to prevent a disaster like this in the future.

Yet, the ultimate answer to the spill is not a renewed ban on domestic energy production or restrictive regulations. Rather, we must continue to develop a comprehensive strategy that reduces our dependence on foreign energy sources.

The long term dangers to our country from continued dependence are even worse than the current tragedy in the Gulf. One fact to keep in mind is that despite the current environmental damage to the Gulf, the number and volume of oil spills have been steadily declining over the years as technology has made exploration safer. This trend will continue, if we hold oil companies responsible for accidents. The federal government must also do its part to ensure the safety of oil exploration.

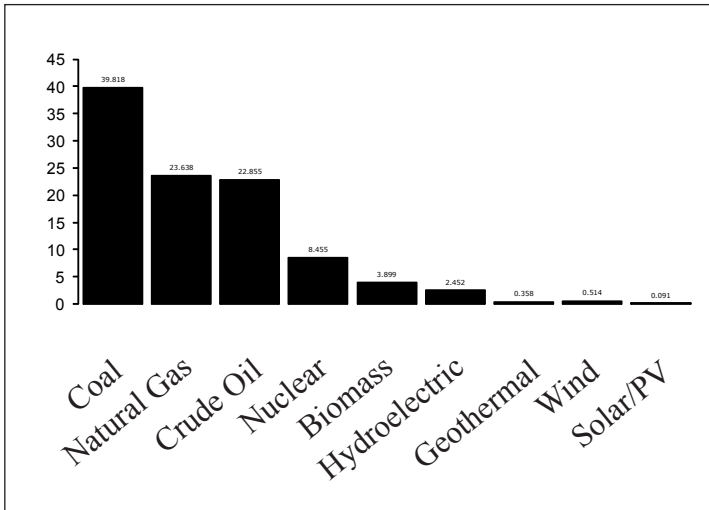
Finally, regardless of the controversy surrounding British Petroleum, *independent* oil companies must not be considered the enemy. These companies are large but control a tiny fraction of the world's oil supply, which is dominated by state-run enterprises and the OPEC cartel. With proper regulation and oversight, they remain an important partner in our quest for energy independence.

Some in the Majority are leveraging the Deepwater Horizon disaster as a stepping stone to limiting oil exploration, implementing a tax on energy use, and forcing Americans to make significant changes to their lifestyles. Leaders on the left have long sought to address our nation's energy challenges by rationing energy, rather than developing new supplies. This is largely why windmills, solar panels and other feel good technologies comprise the entirety of their energy agenda – technologies that despite billions of subsidies yield a tiny fraction of our nation's overall energy.

High energy prices and the continued reliance on foreign energy supplies harm economic development, put our nation's security at risk, and place an unnecessary burden on the family budget. Yet, many of our nation's leaders continue to make

Energy Production by Source

(Quadrillion BTUs)



Source: U.S. Energy Information Administration, 2008.

misleading statements suggesting a renewable energy alternative to our current dependence on fossil fuels is just another federal subsidy away. In fact, outside the mass deployment of nuclear energy facilities, traditional fossil fuels will be required to sustain our nation for the foreseeable future.

According to the Energy Information Agency, the U.S. consumes nearly 485 million gallons of gasoline a day. Whereas, biofuels produced in the United States equate to only 31 million gallons a day. In the overall energy consumption market, traditional fossil fuels account for 84 percent of consumption while all renewable fuels combined only constitute 7 percent and nuclear accounting for the rest.

Despite these energy “facts of life,” there is a way out of our current dependence on foreign oil. The path I envision not only accomplishes this important goal but also will transition the United States into a new era where fossil fuels no longer dominate. My plan, known as A Roadmap for America’s Energy Future, leverages lease and royalty revenue associated with fossil fuel development to fund aggressive efforts to deploy alternative energy. According to the Congressional Budget Office, this would result in historic investments in renewable and advanced energy alternatives based on feasibility rather than what is favored by beltway lobbyists. These multibillion dollar in-

vestments would drive down, not up, energy prices and would be fully paid for by oil companies and others involved in the fossil fuel exploration and development.

Recognizing the scope and seriousness of the Deepwater Horizon disaster, the Energy Roadmap includes a 9/11 style commission that would investigate the causes of the accident and the appropriateness of the response. The commission would provide recommended changes to government policy which the President would be required to implement.

After restoring confidence in off-shore drilling, the plan expands oil production in the far reaches of northern Alaska, off our shores, and in the lower 48 through oil shale deposits. Doing so would raise billions of dollars in lease and royalty revenue that would be deposited into a trust fund solely dedicated to investments in renewable and alternative energy. This will ensure our nation has sufficient traditional energy for the short-term keeping prices low while funding our long-term energy needs.

When it comes to federal support for renewable fuels, funding typically goes to the most influential and connected special interests. The Energy Roadmap ends this cronyism by developing a reverse auction that is blind to technology and immune from the influence of lobbyists or activists. The producer would simply bid the minimum amount of federal assistance needed to create one megawatt of renewable electricity or one gallon of alternative fuels. The lowest bid wins federal support. This market-based way of providing federal assistance will ensure the cheapest and most efficient technology thrives – rather than questionable technologies that will never result in a single watt or drop of renewable energy.

The Energy Roadmap also takes on an issue that has blocked expansion of carbon-free nuclear power – waste. Skeptics of nuclear power have perpetuated the belief that nuclear waste is both highly dangerous and useless. The solution is simple and no different than what is being done in America’s landfills – recycling. What many do not know is that the current waste stream from

our nation's nuclear reactors retain 96% of energy production capability. The waste simply needs to be reprocessed to return the fuel mixture up to the refined level necessary for energy production. This means the true waste stream would be reduced to 4% of current levels.

France, one of the most environmentally conscience nations on Earth, uses recycling to power its reactors which provide 78% of the nation's electricity. Their waste stream is stored in a building no larger than the size of a typical high school gymnasium. Recycling is being done safely and securely around the world, the fundamental problem in the United States is misinformation.

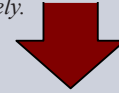
Rounding out the energy development in The Roadmap is a proposal to address the national security risk of our nation's military's reliance on fuel from foreign dictators and despots. Biofuels and batteries will not keep military jets in the air. For the foreseeable future they will require carbon based fuels. With the volatile nature of geopolitics, the military must be able to access fuel sourced solely from the United States – which is not the case now. The problem can easily be solved with liquid fuel derived from the 250 years worth of coal deposits in the United States. The technology has been in use for years by South Africa and by Germany during World War II. Tapping into the vanes of coal throughout the country would create jobs, raise billions of dollars in lease and royalty revenue, and provide a secure fuel source for the military.

While having the desire to become a renewable society is reasonable, that should not prevent us from using traditional fuels to keep the economic engine running in the interim. The United States has an abundance of energy resources and The Energy Roadmap will ensure our nation has both reliable and diverse energy production. ♦

THE ENERGY ROADMAP

OPEN ANWR and OCS

Opening ANWR and the OCS will provide 175.28 trillion cubic feet of natural gas and 1.127 trillion barrels of oil, eliminating dependence on foreign oil, increasing reliability of supplies and reducing prices immediately.



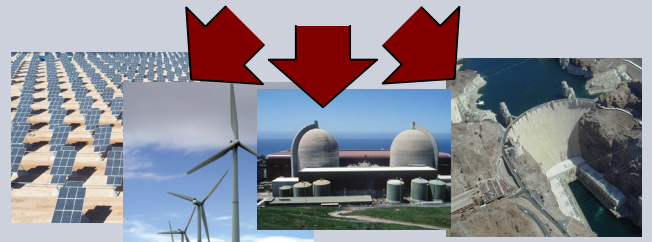
LEASE AND ROYALTY REVENUE

Allowing American energy producers to access oil and natural gas resources within the United States would generate tens of billions of dollars in lease and royalty revenue. Total federal revenue from the exploration and development could reach \$60 trillion according to the Department of Energy / Department of Interior.



AMERICAN MADE ENERGY TRUST FUND

All revenue collected from leases and royalties would be dedicated to programs and initiatives that would end dependence on fossil fuels and transition America to advanced and renewable energy.



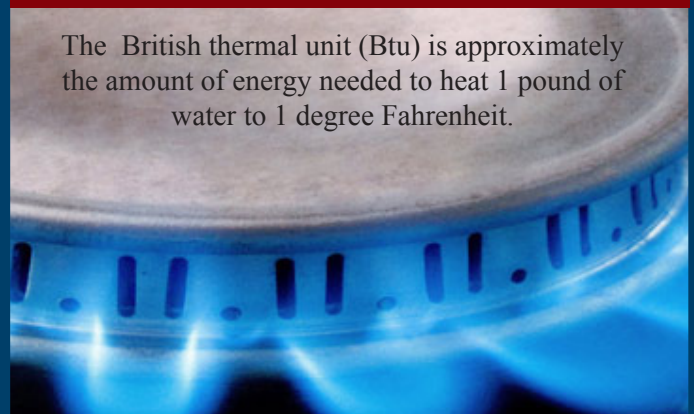
HOW WE MEASURE WHAT WE CONSUME

We measure energy production and consumption in British thermal units (Btu). For example, a typical plasma television consumes 358 watts of power during an hour of use. This represents 1,222 British thermal units because 1 watt of power is equivalent to approximately 3.4 Btu.

With this in mind, the average American consumed 334 million Btu of energy in 2006. This number represents the consumption of energy by one American from all sources, including electricity, natural gas, fossil fuels, and others.

WHAT IS A BTU?

The British thermal unit (Btu) is approximately the amount of energy needed to heat 1 pound of water to 1 degree Fahrenheit.



LOWER GAS PRICES BY USING OUR RESOURCES...

Proposed oil and gas production in ANWR is limited to a barren, flat and mostly lifeless area on the northern slope.

Environmentalists have misled the American people by portraying the area of ANWR sought for energy development as a pristine wilderness. The footprint of the proposed development would occupy 2,000 acres, less than half of one percent of ANWR. The area is completely flat and barren with no trees, hills, or mountains. Nine months of the year it is covered with snow and ice and practically void of life. Three of those months are in total 24 hour darkness. In the 6 weeks of summer the coastal plain is dotted with thousands of lakes and is covered by boggy tundra on permafrost (permanently frozen ground).

DRILLING IN ANWR

(2,000 Acres out of 19 million)



Can you see the small red point? You might need a magnifying glass. This is the portion of ANWR sought for oil and gas exploration...

Summer



Winter



Fraud





California Water Woes

By Devin Nunes

Since the early 1900's, San Joaquin Valley farmers have delivered a bounty to the nation and the world. This bounty has come from hard working family farmers who cultivate the bulk of the nation's fruit and vegetables using the most advanced agricultural techniques available. Many of the more than 300 crops produced in California are grown exclusively in the Golden State and are recognized around the world for their quality.

Without reliable water supplies this bounty is at risk, meaning that California farmers will be hard-pressed to supply state residents, let alone the nation or the world. Despite this fact, federal legislators continue to enact laws like the San Joaquin River Settlement which take billions of gallons of water from valley residents. These water diversions, made in the name of the environment, lack scientific grounding and simply perpetuate the incremental destruction of farmland and rural communities.

Pressure from suffering farmers and residents, which has gained significant national exposure over the past year has failed to compel Congress to legislate relief that would end the government-imposed drought. In desperation, water users turned to the courts for relief – a venue that has long been the preferred battle ground of radical environmentalists. Despite the uneven ground on which they fought, sound judgment prevailed in court and water users won. However, this vic-

tory is not a permanent solution. The Administration, in coordination with groups like the Natural Resources Defense Council, continue to argue in court against increased water flows. New biological decisions are also being developed that can be used to terminate pumping.

THE JUDGMENT

Nearly two years ago U.S. District Court Judge Oliver Wanger, based on lawsuits brought by environmental groups, threw out the federal government's biological opinions governing water operations in the Sacramento San Joaquin River Delta. These complex documents are necessary based on a host of laws and regulations, including the Endangered Species Act. In his ruling, Judge Wanger said the opinions were flawed and should be re-written. The federal government did so and implemented more draconian water restrictions.

The economic devastation that followed and the lack of Congressional action to provide relief forced water users to appeal to Judge Wanger for injunctive relief. He agreed and, once again, cited flaws in the government's biological opinions. Specifically, Judge Wanger said the federal government failed to evaluate the human impact of their decision and that "the absence of explanation and analysis for adoption of [water pumping] limits uses no science, let alone the best available and is simply indefensible."

Wanger directed the federal government to return

Continued on P.16

MAP OF CALIFORNIA WATER PROJECTS



CENTRAL VALLEY PROJECT
 The federal Central Valley Project (CVP) delivers water from reservoirs in the wet northern parts of the state to the arid southern parts of the state. Twenty dams and reservoirs, eleven hydroelectric power plants, and 500 miles of canals and aqueducts make up the infrastructure of the project.

STATE WATER PROJECT
 The California State Water Project, commonly known as the SWP, is one of the world's largest publicly built and operated water and power conveyance system. There are 701 miles of canals and pipelines, five hydroelectric facilities and 34 dams and reservoirs.

THE DELTA
 The Sacramento-San Joaquin River Delta is an expansive inland river delta and estuary in northern California. It is formed at the western edge of the Central Valley by the confluence of the Sacramento and San Joaquin Rivers and lies just east of where the rivers enter the upper arm of San Francisco Bay.

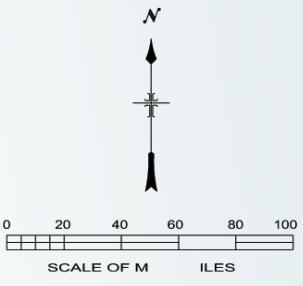
DELTA PUMPS
 Located near the City of Tracy in the southern end of the Delta: The Jones Pumping Plant is owned by the federal government and the Banks Pumping Plant is owned by the state of California.

ACRE FOOT
 It is defined by the volume of one acre of surface area to a depth of one foot. This is approximately 325,851 U.S. gallons. As a rule of thumb in U.S. water management, one acre-foot is the planned water usage of a suburban family household annually.

Water Terminology

LEGEND

- RIVERS
- FEDERAL CANALS
- SHARED FEDERAL/STATE CANAL
- STATE CANAL
- MAF MILLION ACRE FEET
- AF ACRE FEET



U.S. DEPARTMENT OF THE INTERIOR
 BUREAU OF RECLAMATION

to the drawing board and develop a new biological opinion that is based on accurate science and also takes into account the economic impact of the downstream water users.

Some supporters of increased water deliveries have said that Judge Wanger finally did what Congress failed to do – turn on the pumps. Unfortunately, his decision will not provide water supply certainty to valley farmers or residents. That’s because the judge’s decisions are made within the confines of laws sent down to him by Congress – laws that have been expanded, exploited and transformed by environmentalists in order to gain control of America’s vast resources.

For this reason, it is not a matter of *if* but *when* the courts will be forced, under existing law, to restrict pumping activity again.

RECAP

It has been more than two years since the President and Democratic Congress were asked to provide relief to water deprived communities in California. In that time there have been many promises made, meetings held and offers of sympathy but no relief.

In 2009, bowing to growing pressure to act, Secretary of the Interior Ken Salazar visited California to see firsthand the challenges associated with the government-imposed drought. Salazar traveled to Sacramento and was provided a helicopter tour of the Delta but he did not visit San Joaquin Valley communities. When he returned to Washington, he announced federal funding for environmental projects in California amounting to \$220 million. No help for San Joaquin Valley residents.

Meanwhile, leaders in Washington were busy blocking legislation and amendments intended to provide a temporary Endangered Species Act waiver needed to restore the flow of water. For the first time in the history of the modern Congress, every avenue for debate was shut down. The Resources Committee refused to act, the Appropriations Committee refused to accept amendments, and the Rules Committee refused to allow debate on the House Floor. The few occasions in which I

was able to creatively force votes on the water crisis resulted in nearly unanimous opposition from the Majority.

Despite these challenges, national media exposure and public outrage grew. Persistent challenges by Republicans in the House and Senate forced Secretary Salazar to return to California. Although he again failed to visit the communities hardest hit by the crisis, the Secretary received the message of the suffering through the unified voice of valley residents and their elected leaders during a Fresno meeting. However, upon returning to Washington the Administration continued to ignore the crisis. Instead of acting to mitigate water losses or assist residents, the Secretary funded \$134 million in water recycling programs in Southern California.

THEIR SOLUTION: A NEW STUDY

With public opinion turning against Congress and growing national outrage over the government-imposed drought, Congressional leaders accepted a compromise championed by Senator Dianne Feinstein. The compromise was the commissioning of another “study” – this one by the esteemed National Academy of Sciences (NAS). According to Feinstein and others, the new study would serve as the precursor for change in how Delta water is managed. Farmers and other water users hoped this meant a more rational approach and the restoration of Delta pumping.

Unfortunately, there is significant institutional bias present among the various scientists tasked with reviewing the Delta science. The true nature of the NAS panel’s mission was made clear when Dr. Patricia Glibert was removed from the NAS committee studying the Delta because her research did not support the claim that water exports are harming the environment. Dr. Glibert’s research suggests that urban wastewater pollution and high ammonia concentrations are to blame for species decline in the Delta – a fact long argued by San Joaquin Valley water users.

The consequence of Dr. Gilbert’s removal is significant. It stacks the deck against an honest evaluation of the science used to attack valley

farmers and allows activists to manipulate the outcome. Indeed, Dr. Gilbert's removal resulted in the resignation of another prominent researcher, Michael McGuire, who explained that he could not contribute to the final NAS report if all views were not considered.

The NAS is being exploited to justify suffering in the San Joaquin Valley – without an honest and open discussion of the facts. Many now say that the final report will not resolve the crisis or set a path forward, but will simply raise more questions.

A REAL SOLUTION

It has become clear that the only way for California to regain reliable water supplies is through action by Congress. For this reason, I expanded my water policy agenda beyond the impacts of my own district and have proposed legislation that would resolve the water ills of a majority of Californians. My plan is titled the California Water Reliability Act.

The details of the legislation are straightforward. It will reform the Central Valley Project Improvement Act to ensure the law attains measurable goals. It fast-tracks construction of over thirty water circulation and supply projects to ease water transfers and increase supply. The act repeals the San Joaquin River Settlement and refocuses efforts on a more financially feasible and environmentally sustainable warm water fishery. It also streamlines environmental review and construction of a new Delta bypass and new surface storage projects.

Finally, to address the challenge presented by endless environmental lawsuits, my proposal includes a new judicial review of legal action that will narrow the time frame and jurisdiction for court challenges.

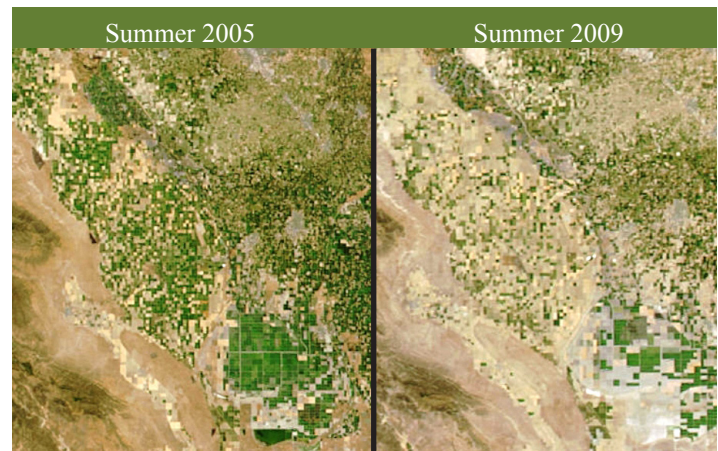
WHAT DOES ALL OF THIS MEAN?

After two years of little to no water allocated in the San Joaquin, heavy rain in 2010 offered some relief. However, despite above average rainfall the crisis has not ended. This is because access to water is not being limited due to drought. It is being diverted by government on behalf of radical

environmentalists.

San Joaquin Valley farmers received 45% of their contracted water for the 2010 despite having reservoirs near or past flood stage and 140% of average snow pack. In any other year, farmers would have seen a full allocation of water. But, environmental regulations have prevented this from happening. Instead, water is being flushed into the San Francisco Bay.

If we are ever to regain control over our water supplies, Congress must act to bring balance back to California water policy and provide a permanent solution to the Golden States' water woes. ♦



An area the size of Rhode Island was denied access to water thanks to federal regulators, environmental lawsuits, and Congressional inaction.



San Luis Reservoir reached its lowest recorded level in 2009 due to Delta pumping restrictions.



Why Friedrich Hayek Is Making a Comeback

With the failure of Keynesian stimulus, the late Austrian economist's ideas on state power and crony capitalism are getting a new hearing.

By Russ Roberts

"As Congress debates solutions to our nation's economic crisis, monetary policy and economic theories have taken center stage. As pointed out in this column, Friedrich Hayek makes a compelling case against Keynesian theory (the idea that government spending can restart a failing economy). A Nobel Prize winning economist, Hayek was a powerful defender of classic liberalism and free market capitalism. His work and writings have helped me to understand our current crisis and the solutions needed to solve them."

-Devin Nunes

He was born in the 19th century, wrote his most influential book more than 65 years ago, and he's not quite as well known or beloved as the sexy Mexican actress who shares his last name. Yet somehow, Friedrich Hayek is on the rise.

Why the sudden interest in the ideas of a Vienna-born, Nobel Prize-winning economist largely forgotten by mainstream economists?

Hayek is not the only dead economist to have garnered new attention. Most of the living ones lost credibility when the Great Recession ended the much-hyped Great Moderation. And fears of another Great Depression caused a natural look to the past. When Federal Reserve Chairman Ben Bernanke zealously expanded the Fed's balance sheet, he was surely remembering Milton Friedman's indictment of the Fed's inaction in the 1930s. On the fiscal side, Keynes was also suddenly in vogue again. The stimulus package was

passed with much talk of Keynesian multipliers and boosting aggregate demand.

But now that the stimulus has barely dented the unemployment rate, and with government spending and deficits soaring, it's natural to turn to Hayek. He championed four important ideas worth thinking about in these troubled times.

First, he and fellow Austrian School economists such as Ludwig Von Mises argued that the economy is more complicated than the simple Keynesian story. Boosting aggregate demand by keeping school teachers employed will do little to help the construction workers and manufacturing workers who have borne the brunt of the current downturn. If those school teachers aren't buying more houses, construction workers are still going to take a while to find work. Keynesians like to claim that even digging holes and filling them is better than doing nothing because it gets money into the economy. But the main effect can be to

raise the wages of ditch-diggers with limited effects outside that sector.

Second, Hayek highlighted the Fed's role in the business cycle. Former Fed Chairman Alan Greenspan's artificially low rates of 2002-2004 played a crucial role in inflating the housing bubble and distorting other investment decisions. Current monetary policy postpones the adjustments needed to heal the housing market.

Third, as Hayek contended in "The Road to Serfdom," political freedom and economic freedom are inextricably intertwined. In a centrally planned economy, the state inevitably infringes on what we do, what we enjoy, and where we live. When the state has the final say on the economy, the opposition needs the permission of the state to act, speak and write.

Even when the state tries to steer only part of the economy in the name of the "public good," the power of the state corrupts those who wield that power. Hayek pointed out that powerful bureaucracies don't attract angels—they attract people who enjoy running the lives of others. They tend to take care of their friends before taking care of others. And they find increasing that power attractive. Crony capitalism shouldn't be confused with the real thing.

The fourth timely idea of Hayek's is that order can emerge not just from the top down but from the bottom up. The American people are suffering from top-down fatigue. The President has expanded federal control of health care. He'd like to do the same with the energy market. Through Fannie and Freddie, the government is running the mortgage market. It now also owns shares in flagship American companies. The president flouts the rule of law by extracting promises from BP rather than letting the courts do their job. By increasing the size of government, he has left fewer resources for the rest of us to direct through our own decisions.

Hayek understood that the opposite of top-down collectivism was not selfishness and egotism. A free modern society is all about cooperation. We join with others to produce the goods and services

we enjoy, all without top-down direction.

The same is true in every sphere of activity that makes life meaningful—when we sing and when we dance, when we play and when we pray. Leaving us free to join with others as we see fit—in our work and in our play—is the road to true and lasting prosperity. Hayek gave us that map.

Despite the caricatures of his critics, Hayek never said that totalitarianism was the inevitable result of expanding government's role in the economy. He simply warned us of the possibility and the costs of heading in that direction.

We should heed his warning. I don't know if we're on the road to serfdom, but wherever we're headed, Hayek would certainly counsel us to turn around. ♦



In 1974 Hayek received the Nobel Memorial Prize in Economics for his pioneering work in the theory of money and economic fluctuations and his penetrating analysis of the interdependence of economic, social and institutional phenomena.



You Stay Classy, Sacramento

By William Yeatman and Jeremy Lott

In many countries, electric utilities struggle to keep up with demand, and often fail. The World Bank estimates that almost 1.5 billion men, women, and children lack reliable access to electricity. They want it, but they can't have it. In new-agey California, it's the other way around. The centerpiece of California's energy policy is really the absence of energy.

If that sounds crazy -- and it is! -- consider this impressive web of regulation that the government has spun: state officials enacted a moratorium on new nuclear power plants. New coal plants are illegal. Large scale hydropower is unthinkable for California's environmentally sensitive public, because it harms fish. Natural gas plants emit half as much carbon as coal plants, but they are banned in much of California because they cannot get air quality permits for particulate emissions.

In 2006, the State Water Resources Control Board ruled that 19 coastal natural gas power plants were in violation of the Clean Water Act for using a process called "once-through cooling," by which ocean water is pumped into a power plant in order to condense steam into water to be reused. This can harm aquatic wildlife, so, at the behest of environmentalist groups, the SWRCB ordered coastal power plants to make costly refurbishments. According to the Energy Commission, "[I]t is likely that plant operators will choose retirement in the face of costly retrofits."

California doesn't have generation capacity to spare, so it will have to replace these plants, most of which are located in the southern part of the state. But the

south California air basin is out of compliance with air quality standards for particulate emissions. It is well nigh impossible for utilities to obtain an air quality permit for a natural gas plant from the South Coast Air Quality Management District.

Existing nuclear power is also under attack. In 2006, the legislature passed a bill requiring the Energy Commission to assess the nuclear plants' vulnerability to earthquakes. In fact, the legislation was designed to stack the deck against nuclear when these plants come up for relicensing. It is unlikely that California utilities can meet demand for electricity without these 21 power plants. Yet California's leadership, in Sacramento and elsewhere, seem to think that conventional energy is unnecessary as long as the Golden State aggressively pursues conservation and renewable energy.

That's the theory anyway. However, the state's pro-green, anti-energy policies make it difficult even for the generation of alternative energy.

California is the country's leading dairy state, and the Energy Commission has identified methane emitted by cows as a major source of renewable energy. But it is impossible to make use of this "bio-methane" from California's dairy farms because air quality agencies refuse to permit a generating facility. The state's deserts are obvious locations for generating solar power. Yet California Senator Dianne Feinstein is trying to block the construction of solar power plants in the Mojave in order to protect a species of turtle.

California's mountain ranges are ideal for wind power.

For many environmentalists, however, wind turbines are unacceptable, because the giant, rotating blades kill things that fly. The New York Times recently quoted a California wind power developer saying, "Regulators are concerned about birds; now they're concerned about bats..." Next they'll be concerned about taxpayers.

Just kidding on that last point. Renewable energies are far more expensive than burning fossil fuels but that's only a start. To meet the state's current renewable energy targets (20 percent of the state's electricity was supposed to come from renewable energy sources by this year), the Public Utilities Commission reports that California utilities would have to build seven transmission lines, at a cost of \$12 billion, to move electricity generated by renewables in remote regions to the urban centers where the electricity is consumed.

However, there could be a catch. Transmission lines are almost impossible to build in California due to the onerous permitting process designed to mitigate environmental impact.

No problem! said Governor Arnold Schwarzenegger. When it became clear that the state couldn't meet its 2010 goals, he simply moved the goalposts. He signed an executive order that increased the unworkable renewable energy targets and postponed them -- by a decade.

California's story should be a cautionary tale of how not to manage energy policy. Instead, it is touted by legislators and all too often swallowed hook, line, and sinker by gullible journalists.

There is something like a consensus among economists that "greening" the energy industry harms economic growth. But Schwarzenegger claims California "can grow the economy and simultaneously protect the environment" and Sen. Barbara Boxer maintains that California's energy policies have boosted employment by creating "green jobs."

Los Angeles congressman and chairman of the powerful Energy and Commerce Committee Henry Waxman ushered major climate change legislation through the House of Representatives last year. He based the renewable energy parts of the bill on the flawed model of his own state.

The President bragged in an Earth Day speech last year that the average Californian uses 50 percent less energy than the average American because the state government "put in some good policy early on that as-

sured that they weren't wasting energy."

(It's worth batting that down, briefly. California has a moderate climate, high urban density, and an energy policy that drives up the cost of electricity. So, less air conditioning + less heat + high energy prices + most energy intensive industries have already fled the state = lower per capita energy usage.)

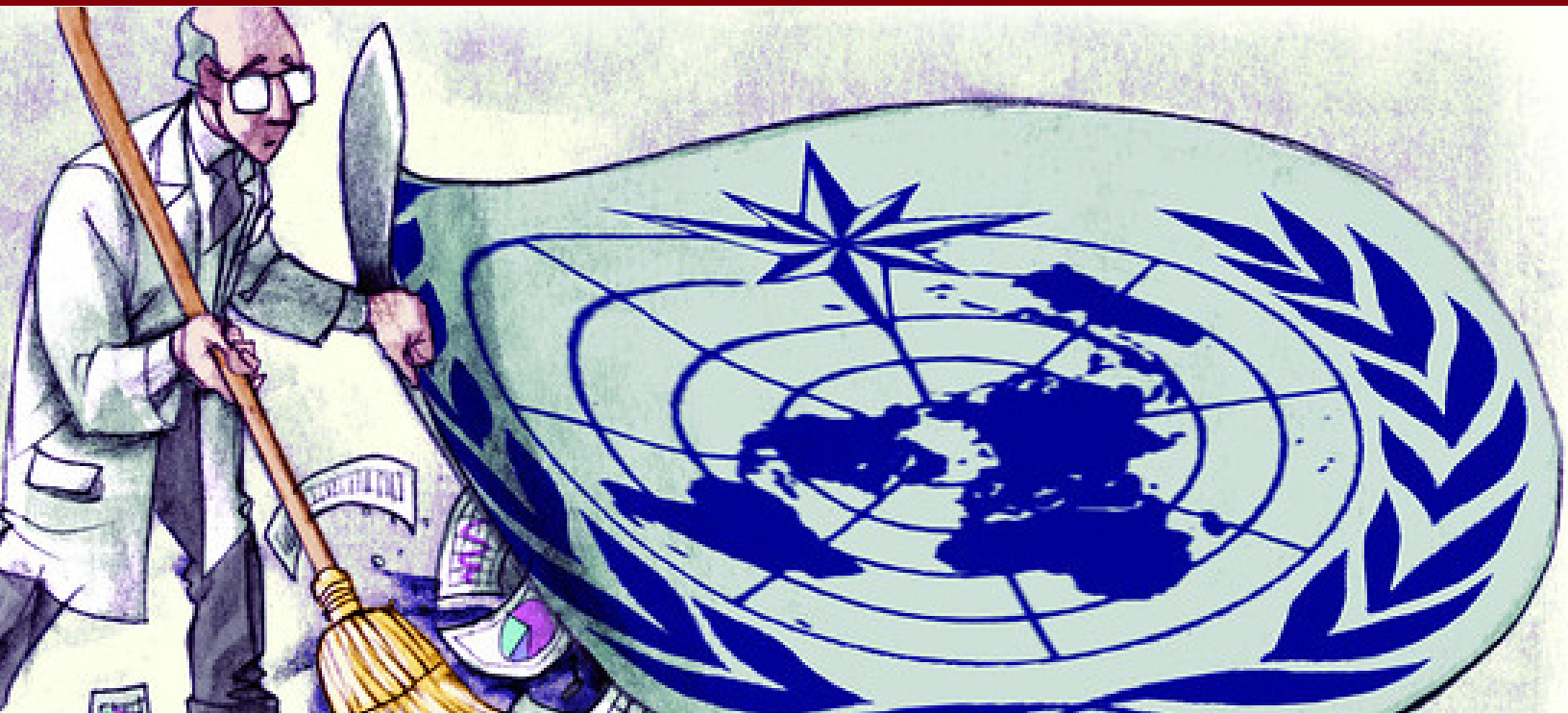
Writing in the Atlantic, Ronald Brownstein celebrated the "California Experiment" that "has consistently defined the forward edge of energy policy in America." In Time, Michael Grunwald argued that "California is not just ahead of the game" when it comes to energy, but that, "it's playing a different" -- altogether better -- "game." Think of it as Monopoly, except in this version everybody goes broke and has to sleep on the street.

Everybody except the well connected, that is. One California program that's being celebrated at the moment is called "decoupling plus." It is supposed to give utilities an incentive to pursue energy efficiency. Here's how it works: California regulators allow utilities to increase electricity rates to fund programs that lower energy consumption. If these programs reduce energy use below targets set by the state, then the utilities get to keep some of the value of the saved electricity.

Decoupling plus is supposed to restructure the utilities' interest calculus so that they give priority to energy efficiency. In practice, it's a huge transfer of wealth from taxpayers to favored utilities, with little enforcement. In September, the Public Utilities Commission slashed the utilities' savings targets for 2012 by 42 percent. According to a staff analysis, "review of the PUC's actions relating to energy efficiency incentives... reveals how the scales have been tipped further and further in favor of utility shareholders."

Brownstein writes that decoupling plus has "changed the motivation of utility companies." He's right, just not in the way he thinks. The program has given the utilities the motivation to lobby legislators and regulators in order to reap windfall profits.

For 2010-2012, the Public Utilities Commission has increased electricity rates by \$3.1 billion to pay for energy efficiency programs, and it has complete discretion over how much of this rate increase will end up with the utilities. So a utility's success will be achieved by overcharging rate payers and currying favor with legislators, who will then, no doubt, blather on about how Sacramento has saved us from ourselves. ♦



Climate Science in Denial

Global warming alarmists have been discredited, but you wouldn't know it from the rhetoric this Earth Day.
By Richard Lindzen

In mid-November of 2009 there appeared a file on the Internet containing thousands of emails and other documents from the Climatic Research Unit at the University of East Anglia in Great Britain. How this file got into the public domain is still uncertain, but the emails, whose authenticity is no longer in question, provided a view into the world of climate research that was revealing and even startling.

In what has come to be known as “climategate,” one could see unambiguous evidence of the unethical suppression of information and opposing viewpoints, and even data manipulation. The Climatic Research Unit is hardly an obscure outpost; it supplies many of the authors for the United Nations’ Intergovernmental Panel on Climate Change (IPCC). Moreover, the emails showed ample collusion with other prominent researchers in the United States and elsewhere.

One might have thought the revelations would discredit the allegedly settled science underlying currently proposed global warming policy, and, indeed, the revelations may have played some

role in the failure of last December’s Copenhagen climate conference to agree on new carbon emissions limits. But with the legislative momentum behind policy proposals and billions in research funding at stake, the impact of the emails appears to have been small.

The general approach of the official scientific community (at least in the United States and the United Kingdom) has been to see whether people will bother to look at the files in detail (for the most part they have not), and to wait until time diffuses the initial impressions in order to reassert the original message of a climate catastrophe that must be fought with a huge measure of carbon control.

This reassertion, however, continues to be suffused by illogic, nastiness and outright dishonesty. There were, of course, the inevitable investigations of individuals like Penn State University’s Michael Mann (who manipulated data to create the famous “hockey stick” climate graph) and Phil Jones (director of the CRU). The investigations were brief, thoroughly lacking in depth, and

conducted, for the most part, by individuals already publicly committed to the popular view of climate alarm. The results were whitewashes that are quite incredible given the actual data.

In addition, numerous professional societies, including the American Society of Agronomy, the American Society of Plant Biologists and the Natural Science Collections Alliance, most of which have no expertise whatever in climate, endorse essentially the following opinion: That the climate is warming, the warming is due to man's emissions of carbon dioxide, and continued emissions will lead to catastrophe.

We may reasonably wonder why they feel compelled to endorse this view. The IPCC's position in its Summary for Policymakers from their Fourth Assessment (2007) is weaker, and simply points out that most warming of the past 50 years or so is due to man's emissions. It is sometimes claimed that the IPCC is 90% confident of this claim, but there is no known statistical basis for this claim—it's purely subjective. The IPCC also claims that observations of globally averaged temperature anomaly are also consistent with computer model predictions of warming.

There are, however, some things left unmentioned about the IPCC claims. For example, the observations are consistent with models only if emissions include arbitrary amounts of reflecting aerosols (arising, for example, from industrial sulfates) which are used to cancel much of the warming predicted by the models. The observations themselves, without such adjustments, are consistent with there being sufficiently little warming as to not constitute a problem worth worrying very much about.

In addition, the IPCC assumed that computer models accurately included any alternative sources of warming—most notably, the natural, unforced variability associated with phenomena like El Nino, the Pacific Decadal Oscillation, etc. Yet the relative absence of statistically significant warming for over a decade shows clearly that this assumption was wrong. Of course, none of this matters any longer to those replacing reason with

assertions of authority.

Consider a letter of April 9 to the Financial Times by the presidents of the U.S. National Academy of Science and the Royal Society (Ralph Cicerone and Martin Rees, respectively). It acknowledges that climategate has contributed to a reduced concern among the public, as has unusually cold weather. But Messrs. Cicerone and Rees insist that nothing has happened to alter the rather extreme statement that climate is changing and it is due to human action. They then throw in a very peculiar statement (referring to warming), almost in passing: "Uncertainties in the future rate of this rise, stemming largely from the 'feedback' effects on water vapour and clouds, are topics of current research."

Who would guess, from this statement, that the feedback effects are the crucial question? Without these positive feedbacks assumed by computer modelers, there would be no significant problem, and the various catastrophes that depend on numerous factors would no longer be related to anthropogenic global warming.

That is to say, the issue relevant to policy is far from settled. Nonetheless, the letter concludes: "Our academies will provide the scientific backdrop for the government and business leaders who must create effective policies to steer the world toward a low-carbon economy." In other words, the answer is settled even if the science is not.

In France, several distinguished scientists have recently published books criticizing the alarmist focus on carbon emissions. The gist of all the books was the scientific standards for establishing the alarmist concern were low, and the language, in some instances, was intemperate. In response, a letter signed by 489 French climate scientists was addressed to "the highest French scientific bodies: the Ministry of Research, National Center for Scientific Research, and Academy of Sciences" appealing to them to defend climate science against the attacks. There appeared to be no recognition that calling on the funding agencies to take sides in a scientific argument is

Continued on P.24

hardly conducive to free exchange.

The controversy was, and continues to be, covered extensively by the French press. In many respects, the French situation is better than in the U.S., insofar as the “highest scientific bodies” have not officially taken public stances—yet.

Despite all this, it does appear that the public at large is becoming increasingly aware that something other than science is going on with regard to climate change, and that the proposed policies

are likely to cause severe problems for the world economy. Climategate may thus have had an effect after all.

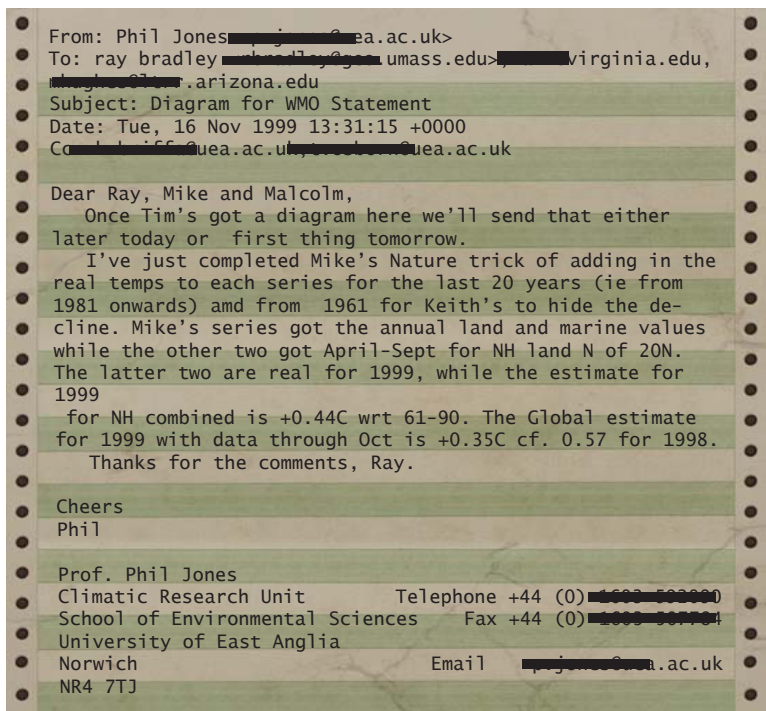
But it is unwise to assume that those who have carved out agendas to exploit the issue will simply let go without a battle. One can only hope that the climate alarmists will lose so that we can go back to dealing with real science and real environmental problems such as assuring clean air and water. The latter should be an appropriate goal for Earth Day. ♦

Climate-Gate

On October 12, 2009, email correspondence and other information belonging to the University of East Anglia’s Climatic Research Unit (CRU) were given to a reporter with the BBC network. In mid-November, additional emails and documents were posted on a number of file servers, making it available to the broader public.

The emails (and the data and computer code released to the public) were written by the world’s top climate scientists, many of whom had been lead authors and contributing lead authors of various sections of the IPCC reports and were thus intimately involved in writing and editing the IPCC’s science assessments. This is no small matter. As noted science historian Naomi Oreskes wrote, the —scientific consensus of climate change—is clearly expressed in the reports of the Intergovernmental Panel on Climate Change. According to one top Administration official, the IPCC is —the gold standard for authoritative scientific information on climate change because of the rigorous way in which they are prepared, reviewed, and approved.

These scientists work at the most prestigious and influential climate research institutions in the world. For example, Dr. Phil Jones was director of the CRU until he was forced to temporarily resign because of his role in the scandal. According to the Congressional Research Service (CRS), CRU



is —among the renowned research centers in the world on key aspects of climate change research. It also has —contributed to the scientific assessments of climate change conducted by the Intergovernmental Panel on Climate Change (IPCC). CRU’s CRUTEM3 is one of the key datasets of surface temperatures utilized by the IPCC in its Fourth Assessment Report.

The IPCC’s work serves as the key basis for climate policy decisions made by governments throughout the world, including here in the United States. A notable example is the EPA’s endangerment finding for greenhouse gases from mobile sources under the Clean Air Act, issued in

December. As the finding states, —it is EPA’s view that the scientific assessments of the IPCC —represent the best reference materials for determining the general state of knowledge on the scientific and technical issues before the agency in making an endangerment decision. In the finding’s Technical Support Document (TSD), in the section on attribution, EPA claims that climate changes are the result of anthropogenic greenhouse gas emissions and not natural forces. In this section, EPA has 67 citations, 47 of which refer to the IPCC.17 The IPCC’s work also provides the scientific basis for cap-and-trade bills considered in the House and now by the Senate. For example, H.R. 2454, the —American Clean Energy and Security Act of 2009, also known as Waxman-Markey, cites the IPCC and its work no fewer than five times to support the bill’s various provisions.

In short, the utility and probity of the IPCC process and its results are crucial to policymaking with respect to climate change here in the United States. What does the material show?

What emerges from review of the emails and documents, which span a 13-year period from 1996 through November 2009, is much more than, as EPA Administrator Lisa Jackson put it, scientists who —lack interpersonal skills. Rather, the emails show the world’s leading climate scientists discussing, among other things:

- Obstructing release of damaging data and information;
- Manipulating data and knowingly using flawed climate models to reach preconceived conclusions;
- Colluding to pressure journal editors who published work questioning the climate science —consensus; and
- Assuming activist roles to influence the political process.

The correspondence also reveals something significantly more nuanced than a —consensus on the state of climate science. Contrary to repeated public assertions that the —science is settled, the emails show the world’s leading climate scientists arguing over critical issues, questioning key methods and statistical techniques, express-

ing concerns about historical periods (such as whether the Medieval Warm Period [MWP] was global in extent) and doubting whether there is —consensus on the causes and the extent of climate change. ♦

More online at:

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Science

President of the United States, December 20, 2008

“The truth is that promoting science isn’t just about providing resources—it’s about protecting free and open inquiry. It’s about ensuring that facts and evidence are never twisted or obscured by politics. It’s about listening to what our scientists have to say even when it’s inconvenient—especially when it’s inconvenient.”

Phil Jones, former director of the University of East Anglia’s Climatic Research Unit, February 2, 2005

“The two MMs have been after the CRU station data for years. If they ever hear there is a Freedom of Information Act now in the UK, I think I’ll delete the file rather than send to anyone. Does your similar act in the US force you to respond to enquiries within 20 days? - ours does ! The UK works on precedents, so the first request will test it. We also have a data protection act, which I will hide behind.”

George Monbiot, columnist, The Guardian

“It’s no use pretending that this isn’t a major blow. The emails extracted by a hacker from the climatic research unit at the University of East Anglia could scarcely be more damaging. . . . I’m dismayed and deeply shaken by them. . . . I was too trusting of some of those who provided the evidence I championed. I would have been a better journalist if I had investigated their claims more closely.”



Soviet Socialism, American Leftists, and European P.I.G.S.

Efforts to cut government spending in Greece resulted in mass demonstrations and riots.
by Devin Nunes

We have heard a lot lately about my comments relating the President's health care reform to the failed socialist policies of the Soviet Union. Liberals and a host of radical leftists have mocked my observation in their blogs and some mainstream news outlets have even poked fun at me. However, the transformation of America is no laughing matter.

The parallels between leftist policies today and those of failed socialist states are undeniable; so much so that even a Russian state-owned news commentator was forced to concede my point:

"...Devin Nunes accused the bill of continuing the failed Soviet experiment. He was overly emotional but there is a grain of truth in what he said... Apparently, the socialist experience has proved

too tempting to be resisted." (RIANOVOSTI News, March 22, 2010)

Thanks to increasing regulation, rising taxes and greater centralization of power in Washington America is slowly leaving behind the foundation of its economic strength; namely the entrepreneurial energy that comes from freedom. And while a full-fledged Marxist revolution may not be on the horizon, the transformation of America in the image of European socialism is real and it should be of great concern to us all.

The most obvious example of failed central planning remains the Soviet Union. However, failed socialist policies are not limited to the history books. Consider the economic decline and social unrest in Europe.

As a result of government dominance throughout the European economy, member states are facing the current global economic crisis with limited options. The direct pain confronting Europeans is therefore magnified, just as the prospects for economic recovery are limited. These limitations are practical, resulting from the patchwork of laws and regulations imposed on their economies, as well as political, the result of mass dependence on government programs—a dependence shared by all but a handful of wealthy elites.

Evidence of this fact is widely available today. For example, French leaders recently cut federal spending in an attempt to address their national debt crisis. The cuts, however, resulted in massive general strikes, as well as social unrest—riots, looting and mass demonstrations.

Throughout Europe political leaders have been burned in effigy by protestors. They are being forced to choose between social order and financial order. Pay cuts for government employees, for example, result in general strikes. More radical reforms, including those needed for long-term economic health, can't even be discussed openly.

In the final analysis, without the support of the masses, EU governments are left without the ability to change course and are forced to preside over national decline. I refer to this condition as an economic death spiral.

EU democracies face this threat because deficit spending cannot sustain an economy long-term. At some point, foreign lenders will resist additional financing—a problem already faced by a group of European countries known as the PIGS. The PIGS are Portugal, Ireland, Greece, and Spain. Together they have a combined debt of approximately \$198 billion. Spain's debt is highest, at \$116 billion, followed by Greece at \$37 billion, Ireland at \$30 billion and Portugal at \$15 billion.

Some have suggested these nations could be the first in the developed world to default on their credit obligations but the more likely scenario is that they will face long-term economic stagnation. This means high unemployment, high inter-

est rates and little prospect for improvement.

Interestingly, you don't have to look as far as Europe to find such as doomsday scenario. Leftists in California have driven the state to the brink of bankruptcy with a deficit exceeding \$20 billion. If major reforms are not enacted, California will join the PIGS of Europe as another failed social democracy. Perhaps worse, if the President's health bill and other recent policies are allowed to continue unaltered, America itself will join in this fate. ♦

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Monuments to the Unemployed

Sierra Forest Products of Dinuba and many other facilities were forced to close following Clinton-era monument designations.
by Devin Nunes

As Americans confront the economic hardship of double digit unemployment and economic stagnation, they are looking to their national leaders with growing distrust. And why shouldn't they? Leaders in Washington have shown a disregard for the economic health of our country, pursuing policies that destroys jobs, lowers economic growth and bankrupts the U.S. government.

Actions by the President may soon worsen economic conditions—particularly in rural America. According to a leaked Department of Interior (DOI) memo, the Administration is currently considering the establishment of 14 new National Monuments in 9 states. These designations will have a devastating impact on surrounding communities because a monument designation forces out people dependent on public lands for their economic survival.

Without logging, mining, drilling, and other resource management activities, communities in and around these new monuments lose their jobs. Economic collapse comes astonishingly fast as the infrastructure needed to extract, process and transport resources vanishes almost overnight. Meanwhile, our nation becomes increasingly dependent on foreign energy sources, timber, and even food.

The ability of Presidents to act unilaterally and restrict access to public lands is rooted in the Antiquities Act of 1906.

The century old law was enacted in response to fears of the destruction and theft of U.S. archaeological sites and treasures; since then, it has been used on a much grander scale by various White House administrations. Today, there are 71 National Monuments located in 26 states, covering some 136 million acres.

Many of these monuments warrant protective status. Montezuma Castle National Monument in Arizona, for example, represents one of the best preserved cliff dwellings in North America, while the Aztec Ruins National Monument in New Mexico protects the prehistoric remains of an ancestral Pueblo society. The protection of these sites and others like them was in accordance with the intent of the Antiquities Act, which authorized the President to proclaim national monuments on federal lands with “historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest.”

However, the White House has interpreted the law as providing the President much broader powers—a view upheld by the courts. This has made the Antiquities Act an irresistible tool of radical environmentalists and their allies seeking to restrict access to public lands. The desire of special interests in the environmental community to restrict land use on public land, for example, was behind President Clinton's establishment of 19 new monuments – including designations in

California – that decimated the state’s timber industry. California lost 84 wood product mills and factories and more than 54,000 jobs were lost nationally. Sierra Forest Products and the small community of Dinuba were among the casualties as Sierra and Sequoia National Park timber production plummeted from 183 million board feet per year to only 10 million.

These special interest driven monument designations are clearly not in keeping with the spirit or intent of the Antiquities Act. For this reason, I introduced legislation – the National Monuments Designation Transparency and Accountability Act - that requires all new monuments to be approved by Congress within two years of their establishment. Without Congressional approval, a monument designation made under the reformed Antiquities Act would terminate as would any restrictions placed upon its uses.

To restore meaningful oversight and transparency, con-

sultation with local communities and the public will be required prior to future designations. My bill will also require that within a year of a new monument designation, the Department of Interior produce a report on its economic impact, in addition to the impact on our nation’s energy security.

The changes outlined in this bill are intended to prevent use of the Antiquities Act for political purposes. The bill will not eliminate existing National Monument designations, nor will it prevent the President from acting to protect national treasures or important historic sites in the future. Instead, the reforms will require the President to justify his actions before the American people.

Without reform, rural America remains at risk that additional land restrictions will be established by the President - not only undermining our economy but increasing our nation’s dependence on imported of goods that can and should be produced here. ♦

TOURS

You can request Congressionally reserved tours by visiting: www.nunes.house.gov

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U.S. House of Representatives
Art Competition



2nd

2ND PLACE
 Untitled water color
 by Charlene Raines
 Hallmark Charter School



1st

1ST PLACE
"By the Anemone"
 by Tori Traeger
 Clovis East High School



3rd

3RD PLACE
"Freedom Horse"
 by Soua Lee
 Clovis East High School

Each year, one outstanding high school student artist from the 21st Congressional District has the opportunity to display their artwork for a year at a national exhibition in the U.S. Capitol.

An Artistic Discovery is a national exhibition coordinated by Members of Congress. Since the exhibition was first launched in 1982, nearly 4,500 local contests have been conducted that have involved more than 650,000 high school students.

If you or someone you know is interested in competing for a place in the national exhibition, please call visit the Nunes website.

Military Academy Night

If you are a student interested in pursuing a college education at a United States Service Academy, you are encouraged to attend Congressman Nunes' Academy Night, held in early Fall every year.

Academy Night is an opportunity for you and your parents to learn more about the nomination and appointment process. Liaisons representing the Air Force, Merchant Marine, Military and Naval Academies will be in attendance to answer questions and review the admissions procedure.

If you would like to participate or have questions, please call (559) 733-3861 and ask to speak with the Academy coordinator. Academy nomination information can be found in the Constituent Services section of Congressman Nunes' website.



Being Paged

The House Page Program and Experience

The Program

House Pages are sponsored by Members of Congress but they are not employed in any particular Representative's office. Instead, they work as a team on the House floor assisting all Members of Congress.

To be eligible to serve as a House Page, applicants must be at least 16 years of age at the time their appointment and possess a minimum cumulative grade point average of 3.0. Pages for the summer sessions may serve during the summer before or the summer after their junior year of high school. School-year program applicants may only serve during their junior year of high school.

Pages who serve during the school year attend the House of Representatives Page School, where they continue their eleventh grade studies and learn about House operations. Outstanding students during the fall term may be considered for re-appointment for the spring term.

For more information, including detailed application requirements or to learn more about the House Page program visit www.nunes.house.gov.

The Experience (A Page's View)

"Serving as a House Page is an exciting, enriching learning experience-- one you will always treasure. Several Members of Congress began their careers by serving as Pages. In the summer of 2007 I had the tremendous privilege of being a Congressional Page. It was an exciting once in a lifetime opportunity, and to this day I consider my time in Washington, DC as some of the best in my life. It was mind-blowing to walk into the chamber of the House of Representatives, to live three blocks away from the Capitol Building, to have the history of our democracy at my fingertips. All my life I heard about how laws are made and about Congress, but during my time as a Page, I was able to live it—I put bills into the hopper, I felt the passionate debate on the floor of the House of Representatives, and I met some of the political leaders I studied in my government classes.

Not only did we, the Pages, get to work in the House Chamber every day (sometimes into the wee hours of the morning while the Representatives worked out appropriations), but we also had opportunities to ex-



Margarita Ramirez, center, served as a House Page in the Summer of 2007.

plore every part of DC. We had more than enough time to explore and experience DC: I visited everything from Georgetown to Arlington National Cemetery, countless museums (including the Holocaust Museum and most of the Smithsonian Museums), various historical buildings and sites, the National Archives, and we even found our way into comedy clubs. Additionally, the Page Program organized tours, baseball games, plays at the Kennedy Center, and a trip to an amusement park—all free of charge!

My time as a Congressional Page allowed me to experience our democracy and our country in a very unique way; I went from watching the action on C-Span and reading about it to seeing it unfold a few feet away from me. I hope the young people in our district do not let this opportunity pass them by!

In 2008 I interned in Congressman Nunes' Visalia office, and looking back at my time there, I recognize that it was a defining experience in my life. At the time, I was a political junkie who relished the opportunity to be a part of a Congressional office. In order to serve the people who called needing information, I had to become an expert on the legislation the Congressman supported; in order to understand our District, I soaked up every piece of relevant news about our community; in order to communicate effectively, I honed my writing skills. After my experience as an intern, my college government classes seemed like a breeze!" ~Margarita Ramirez, House Page - Summer of 2007.

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PRSRT STD

Devin Nunes M.C.

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