

spotlight

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IT'S NOT JUST A GOOD IDEA, IT'S THE LAW

Climate Commission Ignores Legislative Mandates

S U M M A R Y : Any recommendations made by North Carolina's Global Climate Commission this spring will lack much of the underlying analysis required by the Commission's enabling legislation. Senate Bill 1134, which established the Commission in 2005, was explicit. It stated that the Commission "shall conduct an in depth examination" of a list of important scientific and economic issues. After over a year of meetings the Commission has ignored what any reasonable observer would conclude are the most important questions.

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Any recommendations that are made by North Carolina's Global Climate Commission this spring will be premature and will lack almost all of the underlying analysis required by the Commission's enabling legislation. In 2005 when the North Carolina General Assembly enacted Senate Bill 1134 (SL 2005-242), which established the Legislative Commission on Global Climate Change (LCGCC), they were quite explicit in their directions to the Commission. In particular, they stated unequivocally that the Commission "shall conduct an in depth examination" of a list of important issues (see "a - g" in the accompanying excerpt from the bill). Whether through negligence or willful omission, after a year of meetings, the climate Commission has made no significant attempt to pursue their mandated mission. In fact, they have completely ignored what any reasonable observer would have to conclude are the most important questions.

Science, Economics, and the Law

Except for letter "b" the tasks assigned to the commission by the legislature fall under one of two categories of analysis: scientific and economic. Letters "a" and "c" mandate that the commission examine possible alternative explanations of global warming and the impact on the climate of proposed policies respectively. Letters "d" through "g" focus on issues related to both the costs and benefits associated with possible future climate change and policies proposals meant to mitigate this change. All of these requirements are quite sensible and they show a clear understanding on the part of the legislature of the full body of questions that need to be answered before the state should proceed with

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public policies in this area. If the commission followed its mandate and in fact pursued an “in-depth” examination of these issues it would be providing a body of resources and analysis that would be indispensable to intelligent law making.

Unfortunately both the General Assembly and the citizens of North Carolina are being shortchanged. The Commission is ignoring its legislative mandate and is not pursuing analysis of any issues that are likely to undermine what appears to be a predetermined position on the part of a majority of Commission members and its co-chairs, Representative Joe Hackney (D-Chapel Hill) and Attorney John Garrou from Winston Salem. That position is to forge ahead with policies meant to restrict emissions of carbon dioxide (CO₂). This is the greenhouse gas thought by many scientists to be at least a partial cause of the global warming that has occurred over the last 100 years and much greater warming that some of these same people believe is about to come in the next 100 years. As a reminder, this is also the gas that is exhaled by human beings and is the ultimately responsible for all plant life and therefore all life on earth. This is hardly a pollutant in the traditional sense.

Missing Science: possible causes of warming

Letter “a” calls for the commission to conduct a review of the scientific literature regarding the “possible natural and anthropogenic causes of global climate change.” The term anthropogenic refers to climate change induced by human activity while natural refers to climate change that one might expect to see in the absence of human activity and that has occurred throughout the history of the planet. This would include the intensity and activity of the sun and other naturally occurring variations in climate.

After a year of meetings the commission has not heard any testimony on possible natural causes of climate change and with respect to anthropogenic, i.e. human, causes, testimony has focused strictly on man made greenhouse gasses such as carbon dioxide. This is in spite of the fact that there are other possible human induced causes of rising temperatures as recorded by ground level thermometers. For example, it is well known that economic development activity around official thermometer locations, for example new buildings and roads, tends to increase local temperatures over time. This is what has come to be called the “heat island effect.” In other words, to some extent what is being observed as global warming could be the collective results of local warming from communities where thermometers are located around the globe. In a recent story from the *Triangle Business Journal* Ryan Boyles, the North Carolina State Climatologist, is cited as claiming that studies from his office show that climate change in North Carolina is more closely related to this local effect. He states that “local climate change patterns are more closely linked with development-land use, the way we urbanize...”¹ Yet climate data from North Carolina, and other areas around the world that are influenced by the heat island effect, is going into the averages of global temperatures. To date there has been no discussion or testimony regarding the extent to which the heat island effect is the cause of changes in global temperatures.² To the extent that it is, policies that are focused strictly on reducing CO₂ will be irrelevant.

As noted there have been no hearings on the extent to which global warming may be due to natural causes, such as increased sun intensity or natural climate cycles. For example, a 2006 study published in the *Geophysical Research Letter* suggests that half of the warming in the last century was caused by increased sun intensity.³ There are also climate scientists who argue that part of the recent warming may be due to natural cycles. The point is that none of this science has been vetted as is required by law.

Will the Policy Make a Difference? More missing science

From a public policy perspective the most important requirement of the legislation is put forth in letter “c.” It requires the commission to conduct an in depth examination of “the extent to which reductions in the emissions of [greenhouse] gases in the State, region, and worldwide could be expected to affect global climate change.” The answer to this question should be the basis of all the work that is being conducted by the Commission.

The proclaimed purpose of any policy meant to force or induce people to cut back on greenhouse gas emissions is to reduce global temperatures in the future. If the proposals being made will not in any way accomplish this purpose they should be discarded out of hand. The fact is, the commission has made no effort to comply with the requirements of

the law in this regard. It has heard no testimony from qualified climate scientists, or anyone else, regarding this issue. In a recent letter to the Commission Chair's two of the Commission members noted this omission in the proceedings and suggested that "the Commission attach a qualified assessment of the climate impact over whatever timeframe is deemed relevant, to each policy recommendation that is made. This would insure that we are complying with both the letter and the spirit of the legislation."⁴ This proposal not only makes sense in terms of the ultimate goals of the Commission but also is an implicit requirement of the law.

Economics: the other missing shoe

In almost every case, we have received an economic analysis, and a number of the proposals we are looking at have a net economic benefit to the state.

— *John Garrou, Commission Co-Chair*⁵

This was the response by Mr. John Garrou, Commission Co-Chair when asked on a recent radio program if the climate commission was pursuing economic benefit-cost analysis of alternative policies it was examining. But Mr. Garrou was mistaken. Not only has the Commission not been presented with benefit/cost analysis showing "a number of policies" that have a "net economic benefit to the state," there has been no benefit/cost analysis of any policies being considered by the Commission. In fact, there is no evidence that any real benefit/cost analysis has been done or is even in the process of being done.

It should be noted that The Climate Action Plan Advisory Group (CAPAG), a study group established by the North Carolina Department of Environment and Natural Resources (NC DENR), has hired a consulting firm to perform what might be called cost effectiveness analysis. This analysis looks at what are the most cost effective ways to reduce CO₂ emissions in the state. The Climate Commission is planning to consult the CAPAG analysis when making recommendations. This is not economic benefit/cost analysis and does not answer the questions posed by the legislation.⁶ While this analysis might show policy makers what the least expensive ways to reduce CO₂ are, it does not analyze the climate change benefits that the CO₂ reductions are supposed to bring about. It also does not take into account any benefits to the state's agriculture industry of a CO₂ enriched atmosphere. A 1995 article in the journal *Science* notes, "[I]n the agricultural realm, experimental evidence suggests that higher CO₂ concentrations may be a boon, helping many crops grow faster and yield more."⁷ This implies that increases in atmospheric CO₂ will have benefits that any meaningful benefit/cost analysis would have to include when discussing the costs and benefits of CO₂ reduction policies. It should be noted that some of the best economic analysis done in this regard, by Robert Mendelsohn and James Neumann, has argued that the benefits to the U.S. economy from increased atmospheric CO₂ will completely offset the damage costs of future global warming.⁸

The consulting firm, The Center for Climate Strategies, comes into the process with a set of predetermined conclusions that may prevent its analysts from being objective in their assessments. On its web site the Center claims that "Climate actions by states can significantly reduce the growing burden of climate change risk that we face."⁹ But they provide no scientific bases for this claim. As noted above this is not a conclusion that the Climate Commission has the luxury of taking for granted. In fact the Center is assuming away the most fundamental problem that the Commission is charged with addressing. What the Center for Climate Strategies is assuming is in fact the answer to

Text from S.L. 2005-242 §5(1)(a-g)

This examination shall include all of the following:

- a. A review of current scientific literature on the possible natural and anthropogenic causes of global climate change.
- b. A review of actions taken by the federal government and by other states to address global warming.
- c. An examination of the emissions of greenhouse gases from within the State and the extent to which reductions in the emissions of these gases in the State, region, nation, and worldwide could be expected to affect global climate change.
- d. An evaluation of the economic opportunities for the State that may result from international, national, and State action to address global climate change and the emerging carbon market.
- e. The potential impacts of global climate change on the citizens, natural resources, and economy of the State, including agriculture, travel and tourism, recreation, coastal real estate, insurance, and other economic sectors.
- f. The costs of any action taken by the State to address global climate change on individuals, individual households, local governments, businesses, educational institutions, agricultural operations, the State government, and other institutions and economic sectors.
- g. The benefits of any action taken by or within the State or other states and at the national or international levels to address global climate change on individuals, individual households, local governments, businesses, educational institutions, agricultural operations, the State government, and other institutions and economic sectors.

an open question that the Commission is mandated by law to investigate. Therefore, it is improper for the Commission to be relying upon analysis of a consulting firm for whom the only relevant question is how should CO₂ reduction policy be carried out and not whether or not such policies make sense in the first place.

What seems inexplicable is that DENR would not take advantage the vast array of very qualified Ph.D. economists in the UNC system to pursue its economic analysis. Instead it has hired an outside consulting firm that is biased in its presuppositions and whose income depends on state governments pursuing global warming initiatives. It appears that DENR hired a firm that would give it the results it wanted. Consequently the Climate Commission should conduct its own benefit/cost analysis making sure that the analysts that are employed are qualified economists who above reproach in terms both financial self interests and ideological or advocacy biases.

Conclusion

It is clear that the North Carolina's Global Climate Commission is not ready to make even interim policy recommendations to the General Assembly. In its proceedings thus far it has ignored most of the of analysis that its legislative mandate requires it to pursue. With over a year left before a final report is due, the Commission still has time to compile the information and analysis that the laws requires. But the analysis that remains to be done is extensive and the work can only be accomplished if the Commission takes its mandate seriously, without predetermined conclusions guiding the process. At the present time this result seems unlikely. To date the apparent purpose of the Commission has been to build a case for CO₂ reduction policies and only to follow its legislative mandate where the requirements of the law overlap with this goal. In other words, it appears that the Commission sees itself primarily in an advocacy rather than an investigative role. With potentially very costly policies in the balance, the citizens of North Carolina deserve a fair and unbiased Commission that is willing to critically all of the evidence.

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NOTES

- 1 Leo John, "State seeking to identify its role in global warming fight," *Triangle Business Journal* 9/25/2006.
- 2 While there has been adjustments made to some of the climate data to try to account for the heat island effect, recent research suggests that these adjustments still understate the problem. See Ian G. McKendry, "Applied Climatology," *Progress in Physical Geography*, Vol. 27, No. 4, 2003, pp. 597-606.
- 3 N. Scarfetta and B.J. West "Estimated solar contribution to the global surface warming using the ACRIM TSI satellite composite" *The Geophysical Research Letter*, Vol. 32, 2005.
- 4 Letter written and made available to the author by Commissioners Sen. Robert Pittenger and Dr. Ed Erickson of North Carolina State University. Addressed to Commission Co-Chairs Rep. Joe Hackney and John Garrou, January 31, 2007.
- 5 Statement made on "Capital Close-Up," State Government Radio, January 15, 2007.
- 6 It should be pointed out that of the 18 analysts listed on The Center for Climate Strategies web site none have an advanced degree in economics and only one person lists even a bachelors degree in economics as a credential. See <http://www.climatestrategies.us/team.cfm>.
- 7 Elizabeth Cullota, "Will Plants Profit From CO₂?", *Science*, Vol. 268, May 1995, p. 654.
- 8 Mendelsohn and Neumann, ed., *Global Warming and the U.S. Economy*, (North Hampton, MA: Edward Elgar) 2001.
- 9 The Center for Climate Strategies http://www.climatestrategies.us/Why_Elected_Officials.cfm. It should be noted that this is a false and scientifically unsupportable claim. It is now widely acknowledged that even the United Nations Kyoto Protocol would have an unmeasurable impact on the climate. (See Thomas Wigley, "The Kyoto Protocol: CO₂, CH₄ and Climate Implications," *Geophysical Research Letters*, July 1, 1998.) In fact climate scientist and well known global warming alarmist Dr. Jerry Mahlman claims that it would take CO₂ reductions that are the equivalent of 30 Kyoto Protocols significantly to impact the climate. (See David Malakoff "Climate Change: 30 Kyotos needed to control warming" *Science*, December 19, 1997 found at <http://www.sciencemag.org/cgi/content/full/278/5346/2048>.)