California tries to circumvent federal CAFE
Legislature invites lawsuit over backdoor maneuver; car owners will suffer

BY JAMES M. TAYLOR
Governor Gray Davis on July 22 signed a controversial bill empowering the California Air Resources Board (CARB) to set mandatory carbon dioxide (CO₂) reductions for California automobiles. Just recently given up for dead after public opposition to a similar bill, carbon dioxide curbs were resuscitated in a flurry of backroom political maneuvering that had proponents of consumer choice crying foul.

Unpopular bill reborn as a chameleon
Carbon dioxide emissions were initially proposed in Assembly Bill 1058. California consumers were at first receptive to the vague imperative to require auto manufacturers to produce cars that do not contribute to global warming. However, public debate over the bill brought to light important details about its likely consequences: future spikes in car costs, decreased

By RANDAL O'TOOLE
By now, practically everyone in the U.S. has heard the story about forest fires: that the Forest Service has been suppressing fires for 90 years, leading to a massive build-up of fuels just ready to explode. That's why we've seen so many severe fires in recent years, and why Congress had to give the Forest Service and Department of the Interior nearly $3 billion last year to put out fires and address the fuels build-up. Everyone believes this to be true. I believed it too. But when I sought facts to confirm the story, I couldn't find them. All the data I found indicate fires today are no worse than would be

Wind farms no boon for Dakotans

BY GLENN SCHLEEDE
Global Winds Harvest Inc. and UPC Wind Partners, LLC announced in April a joint effort to install wind turbines with a total capacity of 480 megawatts (MW) in Dickey County, North Dakota and McPherson County, South Dakota. While the partners tout the project as an economic development boon, the economics of the proposal in fact leave much to be desired.

Doing the math
The developers' press release calls wind a "second crop," as farmers would be paid for hosting the huge windmills on their land (and, presumably, for substations, cable, road, access, noise, and construction easements). The press release does not specify how much revenue each windmill would bring to a farmer, but other wind farm developments have made offers as high as $5,000 or even $10,000 per MW of turbine capacity. That may appear to be good money, and easy money at that. But there's far more to wind farm economics than meets the eye.

Incentives, not fuels, are endangering forests

BY RANDAL O’TOOLE
Each month, Earth Track updates the global averaged monthly satellite measurements of the Earth’s temperature. See page 4

Is this global warming?

GLOBAL TEMPERATURES

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Jeffords pushes mandatory national recycling plan

BY JAMES M. TAYLOR

Get ready to start separating, washing, and storing aluminum cans, if Senator Jim Jeffords (I-Vermont) has his way.

Unhappy that only half of all cans purchased in America are recycled, Jeffords is pushing a bill that would force citizens to pay a 10-cent deposit for every aluminum can they purchase.

No economic sense

A decade ago, recycling peaked when Americans returned roughly 60 to 65 percent of their aluminum beverage cans. At the time, many states had mandatory recycling programs, usually requiring a five-cent deposit per can.

Since the early 1990s, however, the number of mandatory recycling programs has fallen as people got fed up with all the washing, storing, and returning of soda, juice, and beer cans— not to mention the pests that such cans attracted while sitting in household storage. When experience proved the bothersome programs made little economic sense, many were scrapped.

“...is no good reason why this nation is not doing a better job of recycling its cans and bottles,” lectured Jeffords in defense of his bill.

Jerry Taylor, director of natural resource studies at the Cato Institute, disagrees. “When recycling makes economic sense, government doesn’t have to mandate it or subsidize it. Somebody in the private sector will be happy to pay you for your garbage or, alternatively, charge you less for recycling services than for landfilling services.”

“Some of the people say it’s just not worth it anymore,” agreed Ford Schumann, who operates a small recycling business in Chestertown, Maryland. Schumann noted the price of aluminum scrap has dropped from 60 cents a pound to 20 cents a pound in recent years. Additionally, he observed, today’s soda cans use only half as much aluminum as they used to. Mandatory programs that made little economic sense to begin with make even less economic sense now.

Communities and states that run mandatory recycling programs do so at a deficit. Many cities and private collection companies simply discard the separated cans into their consolidated garbage. “When the price gets low, it’s an easy way to improve their bottom line,” explained Schumann.

New York City offers a perfect example. Earlier this year, Mayor Michael Bloomberg announced the city would no longer collect plastic and glass. “The fact of the matter,” said Bloomberg, “was that it was phenomenally expensive, and most of it ended up being dumped in a landfill anyway.”

Bloomberg “...was desperate to dig the city out of a $4.8 billion deficit. In doing so, he ripped away the veil on one of the biggest boondoggles of recent times. Despite flowery promises and earnest intentions, mandatory municipal recycling programs across the United States have proven an expensive economic and environmental flop.”

Environmental benefits minimal

“If the wood, sand, or various metals that we supposedly rescuing via recycling were actually in danger of running out, they have a funny way of showing it,” observed Taylor. Prices for all three have been falling, he explained, reflecting anything but a scarcity of these resources.

“Likewise baseless is the worry that we’re running out of landfill space,” said Taylor. “In fact, recycling is almost certainly worse for the environment than landfilling.

“After all, the process of extracting usable raw material from a manufactured product is an industrial activity every bit as involved as the process of combining various raw materials to manufacture a product. Both are energy and chemically intensive. And both create waste.”

A new tax

And therein lies the impetus for Jeffords’ bill. With recycling making little economic or environmental sense, and certainly less sense than it did 10 years ago, only federal intervention will stem the decline in voluntary and locally mandatory recycling programs. “Little sustains this odd brand of civic religion beyond the quasi-religious devotion of the Green faithful,” noted Taylor.

Jeffords’ plan would cost consumers an extra 60 cents per six-pack, $1.20 per 12-pack, and $2.40 per case in up-front costs to purchase beverages. Even that tax on non-recycled cans will be only partially effective, as many beverages are consumed at the park, the beach, at work, and at other locations where people do not have the time, patience, or ability to wash, store, and recycle cans.

So Jeffords has a backup plan: Beverage companies that cannot certify consumers recycle at least 80 percent of their cans will pay fines to the federal government. That will almost certainly cost beverage companies billions of dollars above and beyond the sales revenue they are likely to lose when consumers cut back on purchases. America has never recycled more than 65 percent of its cans, even when mandatory recycling programs were more prevalent and it made more economic sense to recycle.

Beverage companies, predictably, object to this de facto new tax on their products.

“We have a fundamental problem understanding why there’s always this focus on beverage containers,” said Drew Davis, vice president for federal affairs at the National Soft Drink Association. “Why not focus on paper or yard waste?”

And who will pay these new taxes? You will, warned Davis, as companies in any business pizzeria will be able to cover their production costs.
Disappearing frogs and out-of-control fires: Must be global warming!

BY S. FRED SINGER

In the May 4 edition of the Globe and Mail, a leading Canadian newspaper, Alanna Mitchell reports on a research paper from the March 28 issue of the journal Nature. A string of authors found “a coherent pattern of ecological change” they had not predicted. (Imagine that!) That pattern, they conclude, must be caused by global warming. What else?

For example, the researchers say British frogs are disappearing because news are breeding earlier, meaning “frog spawn becomes newt lunch.” Mitchell asks: Does it matter? Maybe British newt ponds can go on for decades with fewer and fewer frogs—and then one day the pond’s ecosystem simply collapses. She adds ominously: “As for the rest, it’s a big question mark.”

Like ecologist Jay Malcolm of the University of Toronto, he extrapolates the Nature results, linearly, from 0.6°C to 5.8°C. His conclusions, published by the World Wildlife Fund (who else?): More than 80 percent of land ecosystems, including Canada’s boreal forests and tundras, would suffer extinctions. He likens this total collapse to the extinctions produced by an asteroid impact 65 million years ago. “We’ve now elevated ourselves to the role of asteroids,” Malcolm declares dramatically.

What will survive this apocalypse? “Cockroaches, crabgrass, and maybe humans,” he says. “As for the rest, it’s a big question mark.”

All of this in a respected newspaper. It’s giving science, especially ecological modeling, a bad name. Should we just laugh it off . . . or should we cry?

Holy smoke! We’ve been waiting—and it hasn’t taken long—for someone to say our recent wildfire epidemic is the result of global warming.

According to an analysis conducted by Stanley Changnon, dean of American climatologists, and his son David, a professor at Northern Illinois University, the warm and relatively snow-free winter of 2001-2002 saved U.S. consumers about $21 billion. Reduced heating costs alone generated an extra $7 billion in disposable income. Natural gas prices fell, owing to the reduced demand. Nearly $1 billion was saved in snow removal costs. Housing starts were up, and in some tra-

ditionally snow-bound locales, construction continued throughout the winter, netting an extra $2 billion for that industry. Transportation also benefited from fewer weather-related delays, and there was only one major weather-related catastrophe (a large ice storm) the entire winter.

S. Fred Singer is professor emeritus of environmental sciences at the University of Virginia and president of the Science and Environmental Policy Project. Singer’s The Week That Was columns can be found at www.sepp.org.

EARTH TRACK

Each month, Earth Track updates the global averaged monthly satellite measurements of the Earth’s temperature. These numbers are important because they are real—not projections, forecasts, or guesses. Global satellite measurements are made from a series of orbiting platforms that sense the average temperature in various atmospheric layers. Here, we present the lowest level, which climate models say should be warming. The satellite measurements are considered accurate to within 0.01°C.

The data used to create these graphs can be found on the Internet at http://vortex.nsstc.uah.edu/data/msu/t2lt/tltglhmam_5.0.
Cooking the books for a better environment

By Jerry Taylor

In early July, the World Wildlife Fund issued a report warning that mankind is strip-mining the Earth so rapidly we'll be forced to colonize two additional planets by 2050 to support current trends in resource consumption.

The press, predictably, went wild, and global politicians—gearing up for the United Nations World Summit on Sustainable Development taking place in Johannesburg on August 26-September 4—intoned that the end was nigh lest we change our wicked western ways.

But a close look at the report—"Living Planet Report 2002"—suggests something else: that cooked books and fraudulent accounting are not the exclusive purview of corporate CEOs.

The WWF offers a "Living Planet Index" by which it purports to measure the health of the world's ecosystems. The index is an average of three other indexes, which purport to measure the abundance of various forestland, freshwater, and marine animal species. According to WWF, the "Living Planet Index" declined by 37 percent between 1970 and 2000.

But take a closer look: The WWF arbitrarily chose 282 species populations to represent forest ecosystem health, 135 species to represent freshwater ecosystem health, and 217 species to represent coastal ecosystem health. There are a lot more species than that. Why did they choose some species as indicators and not others? The report doesn't say.

Even worse, the report doesn't specify which species were chosen as indicators. The opportunity for mischief immediately becomes obvious. Choose white-tailed deer as an indicator and American forestlands look pretty darn healthy. Choose wolves as your species indicator and forests look like they're going to hell.

The bigger question, however, is why measure environmental health by an arbitrary selection of animal population data? There are, after all, a number of equally plausible alternatives.

We could measure the amount of the planet covered by forestland (it's increasing). We could measure trends in water pollution (it's going down). We could measure ecosystem health by plant populations (there are far more plants than animals, and plants are even more fundamental to the food chain). We could measure trends in the diversity of life within these ecosystems (it remains essentially unchanged). We could measure the availability of resources produced by these ecosystems (price data illustrate growing resource abundance, not increasing scarcity, across the board).

Finally, why exclude a discussion of something like air quality from what purports to be a "Living Planet Index"? Probably because air quality is rapidly improving throughout the world and has been doing so for as far back as the data go—an inconvenient fact if you're in the doomsday business.

The WWF reports correctly that the amount of the planet mankind uses for growing crops, grazing animals, harvesting timber, fishing, and supporting various human infrastructure has more or less remained constant over the past 40 years (about 35 percent of the planet's surface). But the amount of land the WWF claims is used to produce energy has doubled over 40 years, twice as much as is used to feed the planet's hungry masses.

But the WWF didn't simply calculate how much land is being used to produce oil, gas, and coal (which is, in fact, trivial). It calculated how much forestland is necessary to absorb all the carbon dioxide emitted from fossil fuels. By only the wildest stretch of the imagination can one discern a human "footprint" in wild and uninhabited forests sucking-up carbon dioxide (which, after all, is plant food). If anything, those emissions are contributing to forest health by fertilizing them mightily, an argument made convincingly by Sylvan Wittwer, former chairman of the National Research Council's Board on Agriculture.

It's this bogus "footprint" calculation that is used to project mankind's alleged need for two new planets by 2050. And even if we accept the footprint calculation, projecting it into the future assumes the world's resources are fixed and finite. Mankind has proven extraordinarily capable of turning non-arable land into arable land, increasing yields from existing cropland and forests, and inventing new resources out of thin air with routine advances in science, technology, and production innovations. The declining inflation-adjusted prices of virtually all resources in the marketplace tell the real story.

There's plenty of room to argue public policy could be more environmentally sensitive. But there's no need to cook the books in order to scare mankind into joining a Green doomsday cult.

Jerry Taylor is director of natural resource studies at the Cato Institute.

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Wendell Cox
Wendell Cox, a senior fellow of The Heartland Institute, is one of the country's most popular and often-quoted experts on urban “sprawl,” smart-growth, and transportation issues.
Stealing land in the Atchafalaya and Immokalee

Conservation easements used in colossal government land grab

BY J. ZANE WALLEY

A n American citizen whose land has been condemned by a federal agency or by any governmental entity, especially those receiving federal monies, has significant rights under the Fifth and Fourteenth Amendments of the U.S. Constitution and Public Law 91-646 (The Uniform Relocation Assistance and Real Property Acquisition Policies of 1970).

Moreover, important statutes contained in the Coded Federal Regulations and the United States Code protect citizens’ property rights. These laws contain literally hundreds of safeguards that keep condemning agencies on a stringent, expensive, and protracted path.

In a highly questionable action, the U.S. Army Corps of Engineers has moved to usurp traditional private property protections in Louisiana’s Atchafalaya Basin. In doing so, the Corps has made an end run around the stringent requirements of condemnation by virtue of a “conservation easement.”

An end run around property rights

Citing Congressional authority (but unable to produce substantiating documents) and the threat of lawsuits from the environmental community, the Corps has forced conservation easements on the properties of an untold number of community, the Corps has forced conservation easements on the properties of an untold number of landowners only $125 an acre for the easement.

Dowell’s definition of “fair market value” rapidly crumbled when a member of the audience pointed out his formula did not take into account the diminished loan value of the property. Internal Revenue Service (IRS) regulations prohibit lending institutions from lending money on property encumbered by an easement unless the lender will take a second position to the agency or organization that owns the easement. Dowell was also unfamiliar with other IRS regulations affecting easement–encumbered property. He admitted the easements were “robbing” future generations of the ability to use the land as loan collateral.

According to Corps handouts at the IRWA meeting, “Flowage” easements prohibit the construction of new structures and prohibit conversion or development of land from existing uses. The easements restrict timber harvest by imposing unreasonable regulations subject to activity that “promotes fish and wildlife preservation.” While flowage easements allow some timber removal by the property owner, that activity is subject to prior approval by the Corps.

Property owners subjected to flowage easements retain oil, gas, and mineral rights. However, the extraction of those natural resources, along with the necessary accompanying construction, requires obtaining permits from the Corps.

What is a conservation easement?

“A non-possessory interest of a holder in real property that imposes limitations or affirmative obligations.”—BLACK’S LAW DICTIONARY

“A right of use over the property of another.”—BLACK’S LAW DICTIONARY

“Fragmentation of land title to deny future generations a full range of productive land use options.”—DAVID GUERNSEY, ALLIANCE FOR AMERICA, MOBILE, ALABAMA

By J. Zane Walley, an editor for the Paragon Foundation News Service.

Big wins for Wise Use and property rights

Snowmobiles amendment. Reps. Rush Holt (D-New Jersey) and Chris Shays (R-Connecticut) intended to offer an amendment to prohibit snowmobile use in Yellowstone National Park. Seeing they were going to lose the vote by a large margin, they pulled the amendment from consideration. The no vote meant victory for public access.

Roadless amendment. Rep. Jay Inslee (D-Washington) intended to offer an amendment to “codify,” or make into permanent law, the Clinton administration’s roadless regulations, which would severely limit access to public lands and private inholdings. A wave of opposition surfaced from recreationalists, concerned citizens, and labor unions. When it was clear the amendment would be defeated, Inslee pulled the amendment off the floor.

Klamath Basin anti-farmer amendment. Reps. Earl Blumenauer (D-Oregon) and Mike Thompson (D-California) called for a vote on an amendment to end the farm leasing program in the Klamath refuge. The leasing program has benefitted both farmers and wildlife by producing food for people and habitat for migrating birds. Anti-farming interests who believe mankind is the enemy sought an end to such efforts, where people work with the environment.

This amendment would have ended the leasing program generally. At first, it would have affected only 37 families. Supporters of the amendment figured they could easily crush such a small number of people. They were wrong. Thanks to Reps. Wally Herger (R-California) and Greg Walden (R-Oregon), and grassroots activists all over the country, the amendment was defeated by a narrow vote of 201 in favor to 223 against.

Credit for the victory also goes to Reps. Nethercutt, Hastings, and Doolittle, who also spoke effectively against it.

Federal land grabs. The Wildlands Project is a plan to—no joke here, this is completely serious—depopulate up to 70 percent of the land area of the United States and turn it into...
Losing our heritage, our land

BY TOM DEWEESE

Congress is gearing up to vote on a very dangerous bill. The National Heritage Areas Act (HR 2388), sponsored by Reps. Joel Hefley (R-Colorado) and Nick Rahall (D-West Virginia), would do for land grabs what the assembly line did for automobiles. Private property would go the way of the horse and buggy.

The Heritage Areas Act proposes to extend federal control over local land use in exchange for federal grant money to local communities. Politicians see it as a pork barrel spending program to benefit their districts. However, with the federal money comes federal land-use requirements, duplicity, and land seizure, as is happening already in several counties in West Virginia heritage areas.

Landowners are not notified when their property comes within the boundaries of a Heritage Area. Property owners simply find out when they try to get a road fixed, install a swimming pool, re-gravel their driveway, or repair their fences.

HR 2388 is touted as a program helping local communities encourage economic development and tourism. However, communities are in for a rude surprise, because the words “economic development” and “tourism” never appear in the Heritage Areas Act.

Consider Hinton, West Virginia

For the benefit of a “National Heritage Area,” the National Park Service hides its intentions from local landowners, uses them to gain funding, and then dumps them when it no longer needs them. Residents of Hinton, West Virginia learned the hard way.

The people of Hinton wanted funds to repair a local road. They lobbied their legislators for several years, and finally the federal funding came through.

At that point, the National Park Service stepped in. Because the local road was in a Heritage Area, Park Service officials announced, the money would be used to create a Scenic Parkway. The Scenic Parkway called for condemning dozens of properties, forcing people out of their homes ... the very same people who lobbied for the road repairs in the first place.

HR 2388 would create more “Heritage Areas” controlled by the National Park Service—the same federal government agency that allows forest fires to run wild, condemns private property whenever possible, and identifies huge tracts as endangered species habitat so it can eliminate commercial and recreational use of public lands, prohibiting everything from off-road vehicles to mining and logging.

The National Park Service also has a five billion dollar maintenance backlog. It plainly cannot handle the empire it already controls ... yet wants more.

The National Park Service also has a five billion dollar maintenance backlog. It is behind on everything from patching pot-holes in roads to fixing overflowing sewer systems fouling the rivers. It plainly cannot handle the empire it already controls ... yet wants more.

HR 2388 is federal land-use zoning at its worst. It establishes a program to be run by the notoriously anti-private property Park Service, which is permitted under the measure to take actions without informing landowners ... who will discover what's happened only after it's too late for them to respond. Though touted as a boon for local economic development and tourism, it threatens far more economic harm than good.

The Heritage Areas Act was passed by the House Resources Committee in May 2002. It will likely be presented for a vote before the entire House, and then the Senate, later this year. There is no time to lose in letting your Congressmen know you oppose it.

Tom DeWeese is publisher/editor of The DeWeese Report and president of the American Policy Center in Warrenton, Virginia. The Center maintains an Internet site at www.americanpolicy.org.

FOR MORE INFORMATION

WWW

More on the Heritage Areas controversy in Hinton, West Virginia can be found on the Internet at http://www.newriverfriends.org

More information on HR 2388 is available at the Thomas Web site at http://thomas.loc.gov/cgi-bin/bdquery/z?d107:h.r.02388:1

http://www.landrights.org

The Interior Department budget did, of course, end up with tens of millions of dollars for more land acquisition and more grants to anti-private property environmental groups. But on many important issues, grassroots activists from all across the country won out, and we should celebrate our victories.

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Congratulations!

Chuck Cushman is founder and executive director of the American Land Rights Association. More information on these victories and more can be found at the ALRA’s Web site at http://www.landrights.org.

wilderness. This master plan of the environmental movement’s most extreme elements was dealt a severe blow in July.

Interior Budget Director Lynn Scarlett and Interior Secretary Gale Norton proposed to create something called the Cooperative Conservation Initiative (CCI), fund it at $50 million, and hand over the money to distributors of environmental interests. You know the story—“discover” an endangered species, then give the landowner an “offer he can’t refuse” involving severe restrictions on his use of property.

However, the CCI proposal has been zeroed out in both the House and Senate versions of the Interior Department budget. It has virtually no chance of becoming law. Another victory for property rights.

More land grabs. For landowners in South Florida fighting against the combined power of the U.S. Army Corps of Engineers and the National Park Service (NPS), July was a good month. The Interior bill was stripped of language that would have allowed the NPS to seize the private property of several hundred families ... and pay them less than 10 percent of their land’s value in return.

The bill was also stripped of a provision to give the NPS an equal say with the Corps in how the massive, multibillion dollar Everglades “restoration” project was to be managed. The NPS suffers from a five billion dollar maintenance backlog on its existing properties ... yet it continues to attempt to expand its empire.

There was no vote, because both provisions were stripped out of the bill. Thanks to Rep. Jim Hansen (R-Utah), who raised the first point of order defeating the provisions, and to Rep. Don Young (R-Alaska), who raised the second point of order stripping the anti-private property language.

Kudos to the Western Caucus. Thanks also go to the Congressional Western Caucus and its chairman, Rep. Richard Pombo (R-California). Pombo and his Western Caucus members and allies were vitally important in rounding up votes for all of these important victories.

The Interior Department budget did, of course, end up with tens of millions of dollars for more land acquisition and more grants to anti-private property environmental groups. But on many important issues, grassroots activists from all across the country won out, and we should celebrate our victories.

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NSR rules must provide certainty

BY JEFFREY MARKS

When Detroit Edison proposed replacing worn turbine blades at two plants with an improved design that would increase efficiency by 4.5 percent, EPA Region V bureau-
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The improved materials in the new blades would have reduced the need for future blade repair and replacement, lowered the chances of forced outages, and promoted safer, more reliable power. But EPA ruled Detroit Edison’s proposed should trigger the laborious and costly New Source Review (NSR) process.

After determining that water-based inks and coatings contained substances that could poison the catalyst in its expensive thermal oxidizer only when using solvent-based inks and coatings. The change, said the firm, would have reduced the need for future blade repair and replacement, lowered the chances of forced outages, and promoted safer, more reliable power. But EPA ruled Detroit Edison’s proposed should trigger the laborious and costly New Source Review (NSR) process.

But the state agency advised that EPA would likely view the change in the plants’ “method of operation” as one triggering NSR. As you might guess, the change was never made.

Examples such as these are countless. While state agencies, industry, and even EPA itself have said for years that NSR was in desperate need of reform, improvements in industrial emissions reductions, promote pollution prevention, provide incentives for energy efficiency improvements, and help assure worker and plant safety.”

All the usual opponents of Bush administration environmental policies have come out against EPA’s NSR recommendations. But it would be expected that five of the eight major reforms had been proposed by the Clinton administration in 1996 and have already undergone formal rulemaking procedures, including public notice and comment. If EPA presses forward, those five reforms could be quickly implemented and move us immediately toward improved environmental quality and energy efficiency.

The remaining three recommended NSR reforms must yet undergo formal rulemaking. It would be a foolish mistake for members of Congress to delay this process any further simply to score political points with interest groups whose agendas are based on misinformation about NSR’s environmental effects.

Air quality has improved dramatically since enactment of the Clean Air Act in 1970. But NSR permitting for existing facilities has not contributed much to that improvement. Instead, NSR’s ambiguity and costly delays have frustrated business planners, while other air quality programs have had wonderfully positive impacts on emission reductions.

The 25-year-old NSR rules inhibit needed repairs and improvements. We must eliminate these regulatory roadblocks and confusion uncertainty if industry is to recover from recession and help us reach our environmental goals. EPA’s proposed reforms would help promote safer, cleaner, and more efficient power plants, refineries, and factories. Because innovation and investment are the keys to improving air quality and energy supply, the mix of final and proposed NSR rules should move us in the right direction.

Jeffrey Marks is director of air quality at the National Association of Manufacturers.

Why the NAM?

• The NAM is the advocate for pro-growth, pro-worker policies.
• The NAM ranks 10th among Fortune magazine’s top 25 most powerful Washington lobbying groups.
• Rooted in every state and every congressional district, the NAM is 14,000 members watching the issues.
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Texas offers up big, bold transportation vision

Governor's plan can take Texas and its people to a better future

BY WENDELL COX

Vision looms large in American history. John F. Kennedy's took us to the moon. Ronald Reagan's led to the end of the Soviet Union. Dwight D. Eisenhower's produced the Interstate highway system, which has done so much to make this nation one and to fuel its unparalleled economic growth.

But in the increasingly politicized environment of America today, vision seems to have taken a long holiday. Until now.

Texas Governor Rick Perry's TransTexas Corridor plan, which would build wholly new transportation networks throughout the state, is the first serious innovative thinking in transportation in a half-century. The Corridors would be wide rights-of-ways bypassing the metropolitan areas, providing expedited travel on separated truck and automobile roadways and capacity for freight and passenger rail. Most importantly, state governments nationwide face severe funding challenges, the corridors would largely pay for themselves.

Traffic on the rise

Automobile use has increased in recent decades because populations who had less access to mobility in the past—women and minorities, for example—are improving their access. Progress is still required in auto ownership rates among minorities—which means driving will continue to increase more rapidly than population does. In a free and prosperous economy, this is as it should be.

Additional increases in traffic will be fueled by NAFTA-driven freight volumes, both by truck and rail. Under Perry's plan for Texas, the truck traffic will be diverted to innovative "truckways," separate lanes designed specifically for heavy trucks. The truckways will make the passenger vehicle lanes safer, less congested, and less stressful for regular traffic.

Freight rail traffic is expected to double or triple in the coming years. Perry's Corridor plan will prevent additional rail-induced gridlock in communities already dissected by slow-moving freight rail lines.

How to pay for the plan?

And then there is the matter of money. There simply isn't enough gas tax revenue available in Texas to build all the roads that are needed. It is time to bury the gas tax as a source of additional highway revenues. Virtually all of the highest-priority roadway expansion needs are in and around the state's largest metropolitan areas...but politics simply will not permit spending all of the state's gas tax revenues in just a few places.

If Texas is to make significant, long-term improvements to its transportation network, the state must adopt user-pay mechanisms, as Perry is proposing. Infrastructure companies will submit proposals to build corridors across the state and around the cities using tolls and rail access fees. Although large cost estimates are being tossed around, very little of the funding will come from the public treasury.

How to pay for the plan?

Governor Perry has articulated a vision that can transport Texas and its people to a better future. Skilled administration by the governor, legislature, and Texas Department of Transportation will help propel the state to economic preeminence and a higher standard of living for all. Other governors are likely to soon follow his lead.

Wendell Cox is a senior fellow for The Heartland Institute, senior research fellow for the Texas Public Policy Foundation, and a visiting professor at the Conservatoire des Arts et Metiers in Paris.
Looking back on a particularly dry year, the U.S. Forest Service has been in a spin ever since.

A year after last July’s deadly Thirty Mile Fire, the U.S. Forest Service’s public relations spin continues.

On July 10, 2001, an elite firefighting crew had initially brought the fire under control and was awaiting the arrival of a promised water-delivery helicopter to put a final conclusion to the flames. At 9 a.m. that same day, a green “mop-up” crew of approximately 20 young firefighters. With the fire under control and the final water delivery due within the hour, the situation was deemed safe for the relatively inexperienced crew.

However, the helicopter was delayed several hours while Forest Service officials debated the environmental ramifications of scooping water from the nearby Chewuch River. The river is home to endangered salmon and trout, and Forest Service officials feared scooping river water might accidentally scoop some fish as well. Forest Service officials debated using Chewuch River water until 2 p.m., when final approval was given.

While Forest Service officials debated, the fire gained new life. The first delivery of water arrived around 3 p.m., too late to quench the rejuvenated fire. By 5:25 p.m., firefighters Tom Craven, 30, Devin Weaver, 21, Jessica Johnson, 19, and Karen Fitzpatrick, 18, had all died, seeking refuge in their fire tents, after flames cornered and then engulfed them in a narrow canyon.

On September 26, 2001, the Forest Service issued a report blaming almost everyone and everything, including the firefighters themselves, for their tragic deaths. Just about the only thing exonerated by the Service was the Endangered Species Act and Forest Service procedures to debate the Act before taking water from rivers.

New memorial keeps spinning
And now the spin continues.

The Forest Service is unveiling a memorial at the site of the Thirty Mile Fire. According to the Forest Service spin, the site of the memorial, here is what happened:

“...The fire gained new life. The first delivery of water arrived around 3 p.m., too late to quench the rejuvenated fire. By 5:25 p.m., firefighters Tom Craven, 30, Devin Weaver, 21, Jessica Johnson, 19, and Karen Fitzpatrick, 18, had all died, seeking refuge in their fire tents, after flames cornered and then engulfed them in a narrow canyon.

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**Forest Service says “no” to American flag**

**AS IF ATTACKS ON THE PLEDGE OF ALLEGIANCE WEREN’T ENOUGH, the federal government in July turned its attention to the American flag.** Debbie Gaynor, a recreation forester for the U.S. Forest Service, ordered Army veteran and retired police officer David Knickerbocker to take down an American flag he was flying at his cabin in the Eldorado National Forest.

"Flagpoles are not authorized for recreation residences and must be removed," stated Gaynor in a letter to Knickerbocker.

"I feel it is times like these our country needs to be showing our unity and patriotism, not promoting ill-thought decisions which prohibit flagpoles on United States soil," said Knickerbocker. "My flagpole has been up for more than 23 years, and like many in our cabin tract I am a patriotic American who has a flagpole."

The federal government has leased land in the Eldorado National Forest to private individuals for nearly a century. Recreationists were given the right to build cabins on quarter-acre to half-acre lots for an annual fee. Knickerbocker had never before been ordered to take down his American flag. Representative Richard Pombo (R-California) protested the Forest Service’s ban against flying the American flag in history. "At a time when wildfires are burning up much of the West, and Americans throughout the country face terrorist threats, it would seem to me that USDA Forest Service employees would have better things to do than to tell our citizens not to use flagpoles," said Pombo in a letter to Forest Service Chief Dale Bosworth.

In a postscript to the letter, Pombo asked whether Knickerbocker would "be arrested for saying the Pledge of Allegiance on federal land."

Apparently, Pombo’s letter and press coverage regarding the incident swayed the Forest Service to retract Gaynor’s order. On July 25 the Forest Service announced Knickerbocker could keep his American flag after all.

"On July 10, 2001, high temperatures, low humidity and severe drought conditions caused an abandoned cooking fire ultimately to erupt into a devastating firestorm that swept up the Chewuch River Valley, trapping 14 firefighters and two camers. Four dedicated firefighters perished in a valiant effort to battle the Thirty Mile Fire."

No mention that the "abandoned cooking fire" was well contained for quite some time before "ultimately erupt[ing] into a devastating firestorm." No mention of how Forest Service officials debated the fate of river fish while rook- ie firefighters awaited their long-promised water. No mention of how they died not fighting the fire, but trying to find refuge after their fire-quenching water was a no-show.

"The agency is spending $32,000 to build the memorial," observed syndicated columnist Michelle Malkin. "It is a cheap investment in bureaucratic propaganda at the expense of the dead. The truth is that the four firefighters perish[ed] because of the Forest Service’s gross incompetence."

"One of the things we’re having trouble with is, the Forest Service is making those kids look like heroes," said Barbara Weaver, mother of one of the slain firefighters. "Their lives were taken from them. They were not out there trying to save somebody’s life. They were led down a dead-end road and sat there to do nothing—that’s the story."

Added Kevin Weaver, "I don’t mind them memorializing my son. The problem is half of their motive is to spin this into this heroic sequence courtesy www.nifc.gov

"The GAO ... now reports that environmental appeals delayed a full 48 percent of the Forest Service’s fire prevention projects in fiscal years 2001 and 2002."

American, flag-waving, died-for-his-country theme, which casts the scrutiny in a completely different direction."

Although it relentlessly hunts down and pub- licy imposes decades of prison time on people who start fires that destroy property, the Forest Service has refused to say what discipline will be imposed on the bureaucrats who cost the young firefighters their lives. The Service issued a June 2002 report citing unnamed managers and commanders for ignoring several signs of danger. While stating 11 employees were recom- mended for disciplinary action, the report failed to name the employees, failed to state what the discipline entailed, and failed to disclose whether managers actually administered the “recommended” discipline.

GAO implicates lawsuits in recent fires While the Forest Service was covering up its handling of Endangered Species Act concerns in the Thirty Mile Fire, a new General Accounting Office report implicated environmental activist groups for the number and severity of this year’s wildfires.

Last year, activist organizations trumpeted a GAO study indicating lawsuits and other activist challenges to forest fire suppression programs had little to do with Forest Service back-logs in clearing brush and other firefuels. Responding to criticism from Arizona Governor Jane Dee Hull, who said activist groups had been central in obstructing the removal of fuel, Sandy Bahr of the Sierra Club branded a copy of the GAO report and exclaimed, “It would have been good if the governor had gotten her facts straight before speaking off.” The Sierra Club posted Bahr’s quote on its Web site, and the New York Times cited the GAO study as proof that criticisms of the Sierra Club and other activist groups were “absurd.”

However, in a three-page letter to Congress, the GAO has made corrections to last year’s study. It now reports that environmental appeals delayed a full 48 percent of the Forest Service’s fire prevention projects in fiscal years 2001 and 2002.

“For those who have spent the last several weeks downplaying the impact of appeals and litigation on forest management, this report is a bucket of cold water in the face,” said Representative Scott Mclinnis (R-Colorado).

“These numbers are a scathing indictment of the process that governs management of the nation’s forests, and a harbinger of just how relentlessly ideological some environmental liti- gants have become.”

After boldly trumpeting last year’s GAO study, activist groups have begun impugning the GAO’s competency. “This study is about as solid as an Arthur Andersen financial statement,” protested Ted Zukoski, staff attorney for the Land and Water Fund of the Rockies.

**INCENTIVES continued on next page**

years can be attributed to causes other than a build-up of fuels. Between 1998 and 2000, the planet experienced the longest La Niña ever recorded. La Niña is a movement of cool water in the Pacific Ocean that leads to droughts in much of the U.S. Fire managers blamed the expense of fire suppression in 1999 and 2000 on this drought, not accumulated fuels.

**Protecting homes**

The increasing number of homes in the wild-land-urban interface is a second reason for higher fire suppression costs. The West has been the nation’s fastest-growing region for at least two decades. The Federal Emergency Management Agency (FEMA) estimates 38 percent of the homes built in the West are in the wildland-urban interface. The Forest Service has responded by spending extraordinary amounts of money to protect homes.

There’s no doubt the Forest Service is spend- ing more money to protect homes, but even this problem may be exaggerated in much of the West. During the 1990s, the vast majority of homes burned by wildland fire were fire suppression costs. The West has been the nation’s fastest-growing region for at least two decades. The Federal Emergency Management Agency (FEMA) estimates 38 percent of the homes built in the West are in the wildland-urban interface. The Forest Service has responded by spending extraordinary amounts of money to protect homes.

There’s no doubt the Forest Service is spend- ing more money to protect homes, but even this problem may be exaggerated in much of the West. During the 1990s, the vast majority of homes burned by wildland fire were in California, and most of those were built near chaparral forests in the central and southern regions of the state.

While chaparral fires are a problem, they don’t justify spending billions of dollars to protect every rural home in the West. Wildland fire is responsible for less than 0.2 percent of all structures damaged or destroyed by fire each year. So few homes in the wildland-urban interface are lost to fire that the insurance industry can’t generate enough data to justify discounts to homeowners who fireproof their homes with non-flammable roofs and landscaping.

**Blank checks lead to counterincentives**

A third reason for increased firefighting costs is incentives. In 1908, Congress gave the Forest Service a blank check to put out fires. This led many firefighters to joke, “The Forest Service fights fires by dumping money on them.” But in 1975 the Office of Management and Budget (OMB) started pressuring the Forest Service to control its fire costs.

Congress helped by repealing the blank-check law in 1978. In the 1980s, instead of giving Blank checks lead to counterincentives A third reason for increased firefighting costs is incentives. In 1908, Congress gave the Forest Service a blank check to put out fires. This led many firefighters to joke, “The Forest Service fights fires by dumping money on them.” But in 1975 the Office of Management and Budget (OMB) started pressuring the Forest Service to control its fire costs.

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ING the Forest Service a blank check, it gave the agency a fixed amount for fire suppression each year—usually $125 million—and expected the agency to cover deficits from bad fire years out of the surpluses from good years. That worked until the back-to-back “sweat of 1988” and “Yellowstone (and Alaska) fires of 1988.” The Forest Service spent $722 million fighting fires in those two years, dipping into Knutson-Vandenbarg (K-V) reforestation dollars to cover the deficit. Congress responded by upping the annual fire suppression appropriation to $375 million. The Forest Service begged and pleaded until Congress finally paid back the K-V fund out of tax dollars in 1990. After this episode, the Forest Service returned to its blank-check perspective. Technically, Congress still gives the Forest Service a fixed amount of money for fire fighting. But if costs exceed that amount, the President can authorize the Forest Service to spend more out of an emergency contingency fund. Of course, the President rarely says “no” to the Forest Service, which has drawn on this contingency fund every year since 1993.

When its check-writing hand was tied by Congress and the OMB, the Forest Service spent an average of $163 million per year on fire suppression in the 1980s. With those constraints removed in the 1990s, per-acre suppression costs grew by 35 percent, even after adjusting for inflation. Most of the increase seems due to the change in incentives rather than to weather, the wildland-urban interface, or built-up fuels. An extravagant waste

If data on acres burned, lives lost, and dollars spent doesn’t support the accumulated fuels theory, what does? No measurements of fuel accumulation exist. While top government officials blame recent fires on fuels, all of the on-the-ground reports I’ve read focus on the weather. There might well be a build-up of fuels, but that problem isn’t as important as the popular story has led us to believe. Incentives are much more important than any other factor, even the weather. Congress is wrongly focused on treating fuels, when it should focus on fixing incentives.

Let fire burn

When I read about the “Cerro Grande fire,” Alamos homes to the ground in 2000, Congress began a firestorm of spending on anything to do with fire suppression, helpful or wasting. One theory is that having firefighters, aircraft, and other equipment and supplies on standby for when fires break out. In the early 1990s, the Forest Service’s suppression budget averaged $165 million a year. Today it is $620 million. Adding Interior Department agencies brings the total to more than $900 million a year. Since 1980, the Forest Service has tried to convince Congress that increased spending on fire suppression would reduce total fire costs. Having more crews on standby, the theory goes, allows the Forest Service to suppress more fires more quickly at a lower cost. The Forest Service supported that theory with the National Fire Management Analysis System (NFMAS), a computer model Forest Service officials claimed calculated the most efficient level of suppression funding. Congress was never really convinced, however. It typically appropriated to the Forest Service only 70 to 80 percent of MEL for presuppression. Since the 2000 fire season, however, Congress has been giving the Forest Service 100 percent of MEL. By an amazing coincidence, the Forest Service’s MEL calculations have doubled, from about $300 million a year in the mid-1990s to more than $600 million a year today. The increase in suppression funding hasn’t fulfilled the promise of reducing firefighting costs. Though 2001 was a relatively mild fire year, with less than the average number of acres burned, the agency spent $151 an acre on suppression. In 1997—when about the same number of acres burned but the Forest Service was funded at about 80 percent of MEL—the agency spent just $44 an acre (adjusted to 2001 dollars) on suppression.
Incentives continued

and lead to erosion, but the Forest Service hasn’t even proven it can stop those fires.

If resource values don’t change, NFMAS results, the model is little more than a scam to get more money from Congress. Yet the Forest Service used NFMAS to convince Congress to fund $50 percent more firefighters, hundreds of new fire engines, dozens of aircraft, and scores of new firefighting facilities. And what do we get for it? More fire suppression, which is supposed to be the opposite of what the forests need.

Fuel not the problem

Is there any scientific support for the fuels theory? Recent Forest Service fire documents and papers in scientific journals repeatedly point to one publication in support of the fuels theory: a report concluding that, because of past fire suppression efforts, “vegetation has accumulated, creating high levels of fuels for catastrophic wildfires and transforming much of the region into a tinderbox.” Who issued the report? The General Accounting Office.

The people at the GAO are accountants, not fire ecologists. Even the Forest Service thought the report was misleading, saying that changing firefighting strategies, not increased fuels, were responsible for recent increases in acres burned.

The GAO blamed the deaths of 14 firefighters in the 1994 South Canyon fire on excessive fuels. But, as the Forest Service pointed out, “The South Canyon Fire was in oak/brush type vegetation and is not representative of the short fire interval, long needle pine vegetation of the interior western forests. Excessive fuel loading on the South Canyon Fire was not a causal factor.”

Forests characterized by short-interval, low-intensity fires are most susceptible to fuel build-up and best treated by reducing fuels. According to a recent paper by Forest Service fire researchers, only about one-third of the nation’s wildlands, most of them located in the Deep South, fall in this category. In the West, two-thirds of the lands are ecologically adapted to stand-replacement fires, and another 15 to 20 percent are adapted to mixed-severity fires.

This means spending billions of dollars on fuel treatments will be no more effective than spending billions of dollars on suppression to stop western wildfires. Fuel treatments are important in the South, where most forests are on a short-interval, low-intensity fire cycle, but in the West, fuel treatment efforts are as much a chimera as NFMAS and MEL.

Real ecological danger lurks in all this wasted money. With few incentives to do otherwise, the Forest Service is likely to spend its bounty on available revenues, how much fire protection Congress rewards it for that mistake by giving it billions more.

Decentralization benefits

If the fuel story is only a myth, why do so many groups believe it? The answer is that it fits their agendas.

“The Forest Service, of course, uses the fuel build-up myth to get a bigger budget. Commodity interests use it to cast blame on timber cutters who leave fuels behind. In the timber debate, both sides are a little bit right but mainly wrong. The real problem is not the timber program or lack of one, but the overall incentives facing federal land managers. The incentives can be, and must be, fixed. One approach can save money, but won’t solve the problem of a centralized bureaucracy. The other focuses on decentralization. • The centralized solution requires Congress to stop throwing money at the federal land agencies. Some of that money could be redirected to helping owners of private land in the wildland-urban interface fireproof their structures. The rest of the fire-related funding should dry up, and Congress should instruct the federal agencies to “Let the fires burn.”

In a few years, most forests would experience fires at rates not too different from the rates they experienced a hundred or so years ago. This approach will save billions of dollars, but letting all fires burn might not be the best ecological answer.

• The decentralized solution is for Congress to turn forests into self-funding units. The managers of each unit would have to decide, based on available revenues, how much fire protection they could afford. Some forest managers might let most fires burn. Others would put out some fires and would rely on insurance for the worst fire years. Congress could create appropriate safeguards, such as dedicating a share of forest revenues to non-market purposes, to make sure those resources are protected. Such safeguards don’t exist today.

Because it will fit solutions to the land rather than to whatever myth happens to hold Congress in its grip at the moment, decentralization will protect the environment better than any centralized process. Some timber will be cut, but without government subsidies, less timber will be cut than in the past. Recreation fees will go up, but the people paying those fees will know they are giving managers incentives to protect the things they value.

Environmentalists and commodity interests should not be picking on forest managers for making sound decisions based on available revenues. Forest managers have a fiduciary duty to the natural resources under their care. Only then will the national forests be truly managed for the people, and not just for the bureaucracy that is supposed to protect them.

Randall O’Toole (roto@ti.org) is senior economist with the Toreau Institute (www.ti.org) and author of Reforming the Forest Service.
Wrong-headedness killing the forests

BY WILLIAM PERRY PENDLEY

When the Hayman Fire—the largest wildfire in Colorado history—first began, the smoke billowed over my office in southwestern Denver. Outside, I could smell the fumes from flames 50 miles away. Worst yet, I could see the ash in the air!

The night before, as my wife and I stood on our deck in the foothills west of Denver, we had smelled smoke and feared a fire was nearby. It wasn’t; what we smelled were the beginnings of the Coal Seam Fire some 110 miles west in Glenwood Springs.

A few days later, when I called a sheep rancher in Bayfield, I was told he had gone to protect his flock; the Missionary Ridge Fire was out of control near his grazing allotment.

Then, one of my attorneys was summoned home; the Hayman Fire was wildly out of control, moving much too fast toward Denver’s southwestern suburbs.

My attorney was not the only one trying to figure out what he should load into his car if the reverse 911 system rang his phone and he heard the recorded message every westerner fears: “Get out!” Today, the most frequent topic of conversation in the rural west is what to take: land management agencies like the National Park Service, the U.S. Forest Service, and the Bureau of Land Management.

The federal agencies have been aided, abetted and encouraged in their negligence. As one Forest Service official said amidst the national disaster that is Arizona’s wildfires, “It only takes one person with a stamp to throw a wrench into a disaster that is Arizona’s wildfires.” Remarkably, the environmental groups that have bought stamps—and lawyers—to file appeals and lawsuits to halt the pursuit of forest health on our nation’s public lands.

“Armed with hundreds of millions of dollars in annual donations, environmental groups have bought stamps—and lawyers—to file appeals and lawsuits to halt the pursuit of forest health on our nation’s public lands.”

Armed with hundreds of millions of dollars in annual donations, environmental groups have bought stamps—and lawyers—to file appeals and lawsuits to halt the pursuit of forest health on our nation’s public lands.

Remarkably, the environmental groups that lobby against prudent forestry practices disclaim responsibility for the wildfire epidemic. As one environmental group representative testified recently before Congress, “Hey man, it’s not us, it’s the weather!”

There is little that can be done about the head cases who set fires, like the sad soul who started the Hayman Fire, the sicko who lit more than 15 fires along U.S. 285 south of Denver, or the slack-jawed idiots who keep tossing cigarettes or torching campfires despite warning signs every half mile and acrid smoke billowing overhead.

But we can do something about the wrong-headedness that creates as national policy a point of view that wildfires are “nature’s way” and the proper prescription for western forests. That may sound dreamily sensible in a Starbucks in Washington, D.C., but from where I sit amidst the burning forests of Colorado, it is not just insane, it is inhumane.

William Perry Pendley is president and chief legal officer of the Mountain States Legal Foundation.

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If the wind developer is from outside North or South Dakota, the net dollar outflow could be as much as $2,400,000. That negative impact on the state economies could, of course, be avoided if the wind-generated electricity is exported so that some other states residents pay the extra costs. Incidentally, while an annual electricity production from wind turbines of 1.26 billion kWh may sound like a lot, it's just 3.7 percent of the year 2000 electricity production in North and South Dakota, which totaled 41.0 billion kWh.

**Winfall for wind farm developers**

If North and South Dakota go ahead with the wind farm proposal, landowners should not be bashful about negotiating sizeable annual payments from the developers. Global Winds Harvest and UPC Wind Partners will themselves see handsome profits thanks to the federal income tax shelters available to them:

- **First**, they can recover their total capital investment very quickly, because wind energy facilities are eligible for "five-year double declining balance accelerated depreciation" for federal income tax purposes. (See IRS Publication 946.) Recovery of the $500,000,000 investment the developers claim they would make in the proposed North Dakota-South Dakota wind farms is shown in the table above.

The entire investment can be recovered through depreciation charges to offset income tax liability in just six years. The owners and shareholders of Global Winds Harvest and UPC Wind Partners will see an infinitesimally small return on equity thereafter.

- **Second**, the wind farm developers are eligible for a federal Production Tax Credit of $0.017 for each kWh of electricity produced during the first 10 years of the project. If the wind turbines generate the 1.26 billion kWh estimated above, the wind farm owners will receive an additional tax credit of $21.4 million per year.

These subsidies are, of course, in addition to any revenue the wind farm owners will receive from consumers who purchase the electricity produced by the wind turbines.

To obtain the full benefit of the federally provided tax shelters, the owners must have income to shelter from federal taxes. For this reason, it is not unusual for small companies that develop wind farms to sell them to large companies. Precisely that has happened with several existing wind farms. Alternatively, ownership could be divided up into smaller entities to provide "doctor and dentist-sized" tax shelters.

While developers tout the economic benefits of wind, the citizens of North and South Dakota would do well to ask into whose pockets those benefits flow.

Glenn R. Schleede is semi-retired after spending more than 30 years on energy matters in the federal government and private sector. Schleede can be reached at Energy Market & Policy Analysis, Inc., Reston, Virginia.

**NOTES**

1 Articles on the Enron-FPL Energy Manfort wind farm and the proposed Addison wind farm in Wisconsin suggest payments of $5,000 and $10,000. See www.jonline.com/news/O2Wash/maro01/wind13031200a.asp; and www.jonline.com/bym/News100/ wind1910180a.asp; and www.doa.state.wi.us/depi/brow/pdf_files/governor_energy_plan.pdf; p. 36; and www.jonline.com/news/O2Wash/maro01/wind13031200a.asp. For example, a former FPL Energy project manager stated that "the fee was about $10,000 per turbine, up from the initial offer of $2,500."

2 Landowners may also want to require that wind farm developers set aside money in some kind of trust account to cover the not-insignificant cost of removing the structures in the future. Wind farm developers may be tempted to abandon the turbines once subsidies run out and maintenance costs rise.

### Table: Recovery of the $500,000,000 Investment

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CALIFORNIA continued from page 1

consumer choice, and little impact on global warming. Support for AB 1058 among legisla
tors disappeared as constituents learned more about the few advantages and many disadvan

tages of the bill.

Supporters of carbon dioxide curbs did not, however, throw in the towel with the defeat of AB
1058. Learning their lessons about the high cost of public debate, predominantly Democratic law
makers employed a secretive, backroom political process reminiscent of Tammany Hall.

On Friday, June 28, supporters of AB 1058 hijacked an unrelated bill, AB 1493, gutted it of
its major provisions, and inserted the unpopular AB 1058 mandates in their place. The bill was
rushed to the California State Senate, where it was approved quickly and quietly, without dis-
cussion or debate.

The next business day, Monday, July 1, the bill was presented to the lower chamber, the California
State Assembly, where it was referred to the Democrat-controlled Transportation Committee.
The committee immediately approved the bill and then sent it to the Assembly floor under a special
procedure that allows bills to be brought to the floor without public notice. The bill was immedi-
ately passed, by a single vote, by the full Assembly before the public could offer the same input and
demand the same accountability that caused the defeat of AB 1058.

In less than two days, an unpopular and seem-

ingly dead piece of legislation was whisked through the legislature before Californians citi
zens could make their voices heard. Governor Davis sat on the bill for three weeks before sign-
ing it on July 22.

“It’s interesting how the Democrats talk of

honor and the integrity of the House, and then

they run through this bill very fast,” said

Assemblyman Tim Leslie. “Why rush? We didn’t
even hold a proper hearing on it. It wasn’t in the
open; it was in a closed room that was inaccessible
even hold a proper hearing on it. It wasn’t in the
Assembly where it was referred to the

California Air Resources Board (CARB) authority to establish

dates must be in place by the 2009 model year.

Specific CO2 reduction mandates. The new man

The technology simply does not exist that would

Downsizing inevitable

Nevertheless, the end result will likely be reduc
tions in vehicle size, whether or not CARB explicit
ly mandates such reductions. CO2 emissions can be reduced in one of two ways: by implement-
ing expensive, performance-imparing new technolo
gies, or by increasing fuel mileage by making vehi
cles lighter and less safe. Neither approach is popu
lar with car buyers, but the second approach appears to be the lesser of two evils.

The automobile industry has responded to cur
rent and anticipated fuel efficiency mandates by
investing billions of dollars in fuel efficiency
research. Even so, the Toyota RAV4 illustrates the
tremendous costs involved in creating a fuel-effi
cient larger vehicle.

The RAV4, even in its unmodified form, is some
thing of a lightweight among sport utility vehicles. Its size and weight pale in comparison
to SUVs made by American auto manufacturers and
demanded by American consumers. However, the RAV4s already-moderate size and
weight made it a logical candidate for Toyota to
modify with a less-powerful electric engine that
could meet the emissions and fuel-efficiency

Toyota replaced the engine of the standard
RAV4 with an electric battery. Other vehicle alter
ations, needed to maximize performance and effi
iciency with an electric battery, were also made.

Whereas the typical RAV4 has a starting price
of $17,000, the electric version of the vehicle sells for
$42,000... and even that price tag is misleading.
“We lose large amounts of money on every EV
[electric vehicle] we sell,” says Mike Low, Toyotas national regulatory affairs manager. “They cost us
in excess of $100,000 apiece to build.”

“I remember I had a meeting in Tokyo where
they showed me all the cost of this stuff,” said Carlos
Ghosh, chief executive of Nissan. “I said, Oh my God, the others have to do this too?”

For a consumer cost of $42,000 and a manufac

turing cost of more than $100,000, the electric
RAV4 still carries unavoidable inconveniences:
short driving range on a single battery charge and
long charging times between trips.

Downsizing inevitable
“Pavley’s Ploy” may carjack motorist choice

BY KENNETH GREEN

How bad is the California auto emissions bill? ... Let me count the ways.

California’s war on sport utility vehicles shifted into high gear with the backroom passage of a bill that commandeers consumer choice in automobiles under the largely fraudulent pretense of combating global warming. This is political carjacking at its worst.

Unable to pass federal fuel-economy regulations to stop people from driving the larger, more comfortable cars they want, environmentalists took their efforts to Sacramento.

A bill by Assemblywoman Fran Pavley (D-Agoura Hills) was the car haters’ vehicle of choice, because anything affecting the huge California car market is likely to affect the rest of the country. The measure makes California the first state to regulate tailpipe emissions of greenhouse gases.

Unable to pass the bill through the normal legislative process, Pavley had its language inserted into a nonenvironmental, technical bill sitting on the Senate floor and got it voted out of the Senate on a Saturday.

Call it “Pavley’s Ploy.” The bill was signed by Gov. Gray Davis on July 22.

Pavley’s Ploy is supposed to reduce Californians’ emission of gases that some computer models hold responsible for global warming. But the numbers suggest Pavley’s Ploy isn’t about preventing global warming. It’s about preventing you from buying that next truck or SUV, or driving as much as you want the one you already own.

According to government emissions data, California motorists produce less than one-quarter of 1 percent of the world’s emissions of the gases theoretically linked to global warming. According to government computer models, about 80 percent of observed or predicted global warming is because of greenhouse gases, most of the rest being caused by changes in land use for farming, forestry, and so on. Whatever its other effects, when it comes to preventing global warming, this bill will provide virtually no benefit to future generations.

Auto emissions of carbon dioxide (the main greenhouse gas cars produce) can be reduced in one of two ways: by reducing the amount of fuel those cars collectively burn, or by changing to a fuel that emits less carbon dioxide per unit of energy. Those goals can be reached only by mandating technology that would lighten and shrink cars, levying fuel taxes to reduce driving, adding per-mile driving fees to keep motorists off the road, or mandating “alternative fuel” technology such as natural gas and electric-powered cars.

All those approaches have known failings, expose people to greater risk and deprive them of consumer choice, suck resources out of the economy, and sink those resources into bureaucratic paper-shuffling. While climate change is still largely theoretical, the serious harm done by regulatory approaches like these is a well-established fact. Not to put too fine a point on it, but forcing people into smaller cars will kill some of them. The National Academy of Sciences has acknowledged that lighter and smaller cars are inherently more dangerous. And no, that’s not simply in collisions with SUVs. That’s also true in accidents when some lightweight cars hit a guardrail.

Pavley’s Ploy will also slow down the fight against the better-understood pollutants, such as ozone and particulate matter, because anything that raises the price of new cars reduces the single biggest positive force in easing air pollution: buying a new, less-polluting car.

Worse still, taking money out of people’s pockets for higher fuel and automobile costs will mean less for other needs, such as education and health care.

The degradation of transparency in California’s legislature is only the first harm Pavley’s Ploy would foist on the public. Californians will be poorer and less safe for it.

Kenneth Green is chief scientist at the Los Angeles, California-based Reason Foundation.
Opposing “urban sprawl” … or opposing people?

BY JAMES M. TAYLOR
Pinellas County, Florida, is the “smart growth” lobby’s dream. “Smart growth” is the self-description of Europe-wannabes wanting to pack as many of us Americans into as little space as possible. Suburbs: bad. High-rise tenements: good. Backyards: bad. A single community park for the entire community’s leisure and recreation space: good. Of course, Europeans often have little choice but to live in high-density communities. We Americans, fortunately, do have a choice … at least for now.

Postage stamp backyards
Pinellas County, a peninsula of land separating Tampa Bay from the Gulf of Mexico, has the highest population density in the State of Florida. It is more densely populated than Miami-Dade County, Broward County, and the North Miami Gold Coast. Real estate prices in Pinellas County are quite high, especially by Florida standards. The only way a middle-income couple has more than a postage stamp for a backyard is if their parents bought the land before air conditioning was invented. Predictably, many Pinellas County families are looking to relocate to the Bay area outskirts, where land is relatively inexpensive, community facilities are new, and children can play in backyards rather than streets. This, however, would disrupt the smart-growth utopia, which in turn would upset the Europe-wannabes. Unable to use their powers of persuasion to convince people to stay bottled up in Pinellas County, the smart-growth groups have turned to the courts.

Just south across Tampa Bay in Manatee County, the City of Bradenton hugs the beach while the rest of the county is undeveloped. If you’re not in Bradenton, you’re either petting a cow or looking around warily for alligators and poisonous snakes. The county is still 90 percent rural, and land is relatively inexpensive, even though it is only a 30-minute drive from Tampa, St. Petersburg, or Sarasota.

“Europeans often have little choice but to live in high-density communities. We Americans, fortunately, do have a choice … at least for now.”

depending on which direction you go. This has become the perfect place for working-class Pinellas County residents to stake out a real backyard and a decent home. Do anything, face a lawsuit. Unhappy that Manatee County will soon become merely 80 percent rural, smart-growth groups have begun suing at every opportunity. Build a house; face a lawsuit. Pave a street; face a lawsuit. Draw county water; face a lawsuit.

The western parts of Pasco and Hernando counties, still predominantly rural, have seen significant growth as lower- and middle-income families abandon Pinellas County. However, no interstate highway connects these communities to the jobs in Pinellas County. Accordingly, the stretch of U.S. 19 in northern Pinellas County is among the most congested in the state, and it consistently leads the state in traffic fatalities.

As local and state officials plan a tollway to connect the counties, the Sierra Club and various smart-growth groups have filed lawsuits after lawsuit to indefinitely postpone the new road. People should either stay in Pinellas County, argue the smart-growth groups, or pay for their decision to move by dealing with the burdensome commute to and from their new homes.

So people are killed and families are destroyed on congested U.S. 19. Just what do they want? Taking the smart-growth groups at their word, the construction of the new Wal-Mart on U.S. 19 in Pinellas County should be the most welcome news they’ve heard in quite some time.

As area buildings age and grow more dilapidated, Wal-Mart sold a well-worn store to a local church and built a brand new facility directly across the street. The store has now become a Super Wal-Mart, selling groceries as well as typical department store items. The parking lot is full day and night, and neighborhood residents no longer travel across town to do their shopping.

An upgraded business rejuvenating the most populous community in the state: a smart-growth dream, right? Guess again. The smart-growth lobby has filed a lawsuit alleging Wal-Mart is unnecessarily harming the environment with its new facility.

In a community where asphalt is as plentiful as corn in Iowa, constructing a new building harms the environment? “You can’t build in Pasco, you can’t build in Manatee, and now you can’t build here!” exclaimed Wal-Mart shopper Mike Schafer in amazement. “Where can you build?” “Are they really against urban sprawl, or are they simply against people?” wondered shopper J.J. Johnston.

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