EPA Under Fire for Wyoming Fracking Report

By Bonner R. Cohen

The U.S. Environmental Protection Agency is fending off criticism after issuing a draft report claiming it has found chemicals consistent with hydraulic fracturing in groundwater in Wyoming.

Non-EPA analysts have criticized the agency for exercising poor quality control of its water samples, overlooking that many activities other than hydraulic fracturing could be the source of the common chemicals reported by EPA, and ignoring evidence several water tests closer to hydraulic fracturing sites than EPA’s.

FRACKING, P. 4

Okla. Challenges EPA Haze Restrictions

By Kenneth Artz

Oklahoma state officials are challenging a new U.S. Environmental Protection Agency mandate that will force the state’s two largest utilities to spend at least $800 million to install emissions scrubbers.

EPA estimates the scrubbers will cost $874 million, while the utilities say the costs will be much higher and will cause electricity rates to rise 20 percent above baseline costs.

EPA claims the scrubbers are necessary to reduce haze and improve visibility at national parks and wilderness areas and protect the public from pollutants.

OKLAHOMA, P. 14
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‘Chemicals of Concern’ Bill Eyed in Mich.

By James M. Taylor

Michigan state Sen. Rebekah Warren (D-Ann Arbor) has introduced legislation that would require state regulators to create a list of so-called “chemicals of concern” and require importers and large manufacturers to disclose the presence of those chemicals in children’s products.

Information—or Stigma?

In a press release, Warren claims the proposed law, dubbed the Safe Children’s Products Act, “would give Michigan families access to the information they need to make informed purchasing decisions and avoid children’s products that contain harmful chemicals.”

Proponents argue states must take action because the federal government has not updated the Toxic Substances Control Act of 1976.

Opponents note such chemicals-of-concern laws rely on the “precautionary principle” instead of using established scientific facts in a cost-benefit analysis. The precautionary principle is the assumption government should ban products or activities until and unless they are conclusively proven to be safe for human health and the environment.

This as an open-ended invitation for ever-increasing government power, they say, and for substituting political considerations for sound science when determining what products can or cannot appear in the marketplace.

Justifying Harmful Regulations

“Regulating chemicals that pose clear, significant health or environmental risks is justified, but laws of this type passed in Maine and California have gone beyond reasonably protecting people from potentially dangerous chemicals,” said John Nothdurft, director of government relations for The Heartland Institute, which publishes Environment & Climate News.

“Instead they have imposed burdensome regulations that stifle economic growth and product innovation while producing little or no public health or environmental benefits. The precautionary principle has led governments to impose draconian carbon dioxide emission restrictions and bans on the use of safe DDT and agricultural biotech. A sound regulatory environment is a key factor in attracting and retaining businesses,” Nothdurft added. “According to the Michigan Chemistry Council, ‘Chemical companies in our state directly employ over 30,000 people, and indirectly contribute around 100,000 jobs to the economy.’ With so much at stake, policymakers should not impose additional regulations unless a problem is reasonably evident and the solution is narrow in scope.”

No Adverse Consequences

“Claims that the Safe Children’s Products Act will protect public health are simply wrong,” said Angela Logomasini, a senior fellow at the Competitive Enterprise Institute in Washington, DC. “In fact, there isn’t any compelling evidence that the trace chemicals the law would regulate have any adverse public health impact, because the exposures are so minute.

“The legislation, if passed, is likely to prove counterproductive by essentially demonizing valuable products by arbitrarily placing them on a ‘concern’ list. Such listing will encourage manufacturers to abandon valuable products and switch to less tested, potentially more dangerous substitutes,” Logomasini explained.

Sound Science Ignored

Physician John Dale Dunn, a policy advisor for the American Council on Science and Health, says government agencies frequently create chemical scares unsupported by sound science.

“The chemophobia promoted by politicians and agencies is irresponsible,” said Dunn. “People who aspire to work for government agencies regulating environmental chemicals tend to choose such a career path because they are activists to begin with. Once in power, their advocacy is reinforced by the desire to increase agency funding and power. The results are exaggerated and deceptive chemical scares that are laughed at by objective scientists and medical professionals.”

Example: Bisphenol A

“An example is the recent panic about disproven endocrine disrupter claims regarding bisphenol A [BPA],” Dunn explained. “BPA is a chemical commonly used in plastics to provide desired strength and texture. Anti-chemical activists breathlessly claim that BPA endangers children’s health, and in the process are ushering in more expensive and more dangerous products.

“The anti-BPA campaign makes little sense in light of the multiple long-term studies by the U.S. Food and Drug Administration and the European product safety agency that show bisphenol A is not an endocrine disrupter and is completely safe for its intended use,” said Dunn.

“The dose makes the poison,” Dunn explained. “Lists of ‘chemicals of concern’ like the one proposed in Michigan typically have no relation to intended uses and real-world exposure levels. As a result, they are meaningless except as politically convenient scare tactics and means of consolidating money and power.”

James M. Taylor (jtaylor@heartland.org) is managing editor of Environment & Climate News.
Draft EPA Fracking Report on Wyo. Comes Under Fire

Continued from page 1

puted samples reveal no chemical con-
tamination.

Trace Chemicals Reported
The 121-page EPA study addresses alleg-
gations of groundwater contamination
Pavilion, Wyoming, in the vicinity of
atural gas production sites operated by
Encana Corp.

In its report, EPA alleges fracking—
the use of water, sand, and chemicals
dislodge gas from shale—is the likely
cause of trace elements of pollutants
found in local groundwater. According
to EPA, “methane, other hydrocarbons,
and other chemical compounds” have
made their way into a local aquifer, and
the agency reports it suspects fracking
is the culprit.

Senators Question Report
Ten U.S. senators responded by sending
a letter to EPA Administrator Lisa Jack-
son arguing EPA must subject its pro-
cedures and conclusions to “the most rigor-
ous, independent and thorough external
peer review process.”

“We ask that the agency fully address
the problems that have been identified
by the State of Wyoming and others,
including data gaps and the timing and
process of all evaluations, reviews, and
conclusions prior to initiating the peer
review process,” states the senators’ let-
ter.

The stakes are high, the senators note.
“Natural gas development is estimated
to contribute hundreds of billions of
dollars to the United States economy,
and hydraulic fracturing is estimated
to be used in almost 90% of gas wells
drilled today,” the letter notes. “Any
assessment linking hydraulic fracturing
with drinking water contamination will
have a clear economic impact on the nat-
ural gas development industry, natural
gas users, and other economic sectors.
Additionally, given the extensive media
involvement initiated by EPA, it appears
that the methods developed in the report
could form the basis for national testing
and monitoring and result in compliance
requirements for virtually every well.

“The draft report’s supposition that
the groundwater contamination contains
compounds associated with gas produc-
tion, including hydraulic fracturing, is
the first time that a federal agency has
posed a connection between hydraulic
fracturing and groundwater contamina-
tion ... and its testing methodologies and
the quantity of data collected have been
called into question by Wyoming state
officials, industry experts, and others,”
the letter observes.

EPA Continues Investigation
EPA is expected to release a final report
on the Pavillion groundwater samples
later this year. Separately, EPA is
monitoring ongoing fracking operations
in Louisiana and Pennsylvania and is
reviewing fracking operations in Colo-
rado, North Dakota, and elsewhere.

States, not EPA, currently regu-
late fracking within their borders, and
officials in states where fracking is
taking place don’t want to relinquish
that authority. They note geology and
hydrology differ from state to state and
within each state, and therefore, they
say, a national one-size-fits-all regula-
tory structure would do more harm than
good.

‘Unscientific Campaign’
At stake is nothing less than the future
of what has been called the “shale revo-
lution.” Energy production made pos-
sible by oil and natural gas finds in
shale rock formations is raising living
standards and slashing unemployment
rates in areas where shale oil and gas
are being extracted through hydraulic
fracturing and horizontal drilling.

Hydraulic fracturing in the Bak-
ken shale formation underneath
North Dakota, for example, has lowered
the state’s unemployment rate to a mere 3.4
percent and is creating jobs paying more
than $100,000 per year for recent high
school graduates.

“EPA’s Wyoming water study is not
really about water or public health.
The agenda-driven conclusions are part
of the Obama administration’s unsci-
entific anti-fossil fuel campaign,” said
Marita Noon, executive director of
the New Mexico-based Citizens Alliance
for Responsible Energy.

“If the current administration can ban
the use of fracking for oil and gas extrac-
tion, they will deliver a near-fatal blow
to the domestic energy boom sweeping
across those areas of the country where
shale gas and oil are abundant,” said
Noon. “The shale revolution has been
made possible by geology and advanc-
es in technology, especially hydraulic
fracturing and horizontal drilling. As a
result, natural gas prices in the United
States are falling, threatening the via-
ability of taxpayer-subsidized wind and
solar power.”

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at the National Center for Public Policy
Research.

INTERNET INFO
“EPA Releases Draft Findings of
Pavillion, Wyoming Ground Water
Investigation for Public Comment and
Independent Scientific Review,” U.S.
Environmental Protection Agency,
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High-Speed Rail Poses Financial Risk, Calif. Panel Says

By Alyssa Carducci

California’s plans to build a high-speed rail system present the state with “immense financial risk,” concludes an explosive new report from an independent review panel.

The panel advises state officials against borrowing billions of dollars to construct the first section of the track this year.

The California High-Speed Rail Peer Review Group was created by the legislature to evaluate the feasibility of the state’s proposed high-speed rail system. The system is estimated to cost approximately $100 billion to build but, according to the report, is not likely to recoup the cost of construction.

The California High-Speed Rail Authority, however, is thumbing its nose at the independent report.

“We have every intention of moving forward and putting shovels in the ground to start the project later this year,” Lance Simmons, deputy director of communications at the California High-Speed Rail Authority, told the press after release of the independent report.

Financing Trouble

H. Sterling Burnett, a senior fellow at the National Center for Policy Analysis, says the project will never pay for itself.

“The project as a whole is a huge waste of taxpayers’ money,” he said.

Adrian Moore, vice president of policy at the California-based Reason Foundation, emphasizes the state has yet to identify reliable funding sources for constructing and operating the proposed rail line.

“They have no idea whatsoever where the money to build an actual functioning high-speed rail line will come from, and no real prospects.”

ADRIAN MOORE
VICE PRESIDENT OF POLICY
REASON FOUNDATION

Burnett said because the first segment of the project won’t connect “anything to anything,” there’s no hope the Central Valley track will ever pay for itself.

“I think their hope must be if they’re building out here, once they’ve got that built, they’ll have to build the rest of it to actually connect it to something. They’ll say ‘we’ve spent billions of dollars on this, we have to spend billions more just to make that make some kind of sense,’” Burnett explained.

Hidden Estimates

Even the rising cost estimates don’t tell the full story of the project’s potential woes, Moore notes.

“Everything about the project hinges on the ridership estimates, and they won’t let the public see all the details. What are they hiding?” Moore asked.

Few Benefits Cited

Burnett said the rail line will do very little to reduce transportation emissions, which was a major selling point of the project. Moreover, it will do little to improve transportation snags.

“These big-government public transportation programs are ignoring the one benefit they do have: low labor costs,” Burnett said because the first segment of the project won’t connect “anything to anything,” there’s no hope the Central Valley track will ever pay for itself.

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— S. Fred Singer, Ph.D.
Coauthor, Climate Change Reconsidered

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Taxpayers on Hook for Failed Georgia Ethanol Plant

By Bonner R. Cohen

A highly touted cellulosic ethanol venture has been sold for pennies on the dollar after failing to produce a single drop of ethanol.

The cut-rate sale of Range Fuel’s cellulosic ethanol factory in Soperton, Georgia to New Zealand investors marks another stinging defeat for much-ballyhooed alternative energy technologies.

Promises Broken

In 2007 venture capitalist Vinod Khosla predicted great things for cellulosic ethanol and the Soperton factory owned by his Range Fuels company. “We need to declare a war on oil,” said Khosla. “Cellulosic ethanol is the weapon we need.”

Alternative energy advocates shared Khosla’s optimism. In 2008 the Soperton project was awarded the North American Fuels Technology Green Excellence of the Year Award. Heavily forested Georgia was to be the home of the nation’s first wood-chips-to-fuel plant, providing jobs in an economically depressed small town and paving the way for similar alternative-energy facilities across the United States.

It didn’t turn out that way. The project raised $320 million, largely in the form of federal, state, and local subsidies, but the plant never produced a drop of ethanol. Nor did the factory ever hire the 50 to 70 permanent employees it’s promoters had promised.

On January 3, Range Fuels sold the factory to New Zealand-based LanzaTech for a mere $5.1 million. Taxpayers and private investors are left on the hook for most of the remaining $315 million.

Taxpayer Fortune Squandered

The Bush administration’s Energy Department originally approved a $76 million grant for Range Fuels, and the Bush Agriculture Department came up with another $80 million loan guarantee for the venture. The state of Georgia, through its OneGeorgia rural development fund, gave the company $6.2 million to set up shop in Soperton. All told, taxpayers are out $162.2 million.

LanzaTech, which purchased the facility at a cut-rate price, lists Khosla as a “key investor” and a member of its board of directors.

Khosla made a fortune as one of the cofounders of Sun Microsystems and has been an outspoken proponent of alternative fuels. In Georgia, the Range Fuels fiasco has not earned Khosla many friends.

“He takes government money, builds the place, and takes the money and runs, ... and now he’s double-dipping on government money for round two,” Jeb Simons, an engineer in Savannah, told the Atlanta Journal-Constitution. “That’s taxpayer money that could go towards schools or hospitals or be given back to taxpayers.”

“Range Fuels shows once again why the federal government shouldn’t be in the finance business,” said Daniel Simmons, director of state affairs at the Institute for Energy Research. “It doesn’t matter if it’s Republicans or Democrats—both parties make bad investments when trying to promote energy.

“It would be much better for taxpayers if the government left business finance alone and let private citizens risk their money on speculative energy schemes,” Simmons explained.

“Range Fuels first received money from the Bush administration, and the Obama administration has expanded Washington’s role in favoring certain companies and energy sources over others,” Simmons added. “After the failure of Solyndra, Range Fuels, and other companies, let’s hope the next administration pulls back from this risky use of taxpayer dollars.”

Congress Ends Ethanol Subsidies, But Mandates Remain

By Bonner R. Cohen

Congress has declined to extend a federal tax credit for ethanol production, putting an end to a special-interest subsidy once viewed as politically untouchable.

Nevertheless, federal mandates continue to require U.S. consumers to purchase large quantities of ethanol, which is more expensive than gasoline and delivers fewer miles per gallon.

The federal tax credit existed for more than 30 years, costing U.S. taxpayers nearly $6 billion in 2011 alone. The credit expired at the end of 2011 after Congress resisted political pressure to extend the subsidy. Congress also declined to extend a 54-cents-per-gallon protectionist tariff on imported ethanol.

Mandates Remain

U.S. consumers still will be required to subsidize ethanol indirectly through purchasing mandates imposed by the Energy Policy Act of 2005. The mandates were increased two years later with the enactment of the Energy Independence and Security Act of 2007. The 2007 act requires consumers to purchase 36 billion gallons of ethanol annually by 2022.

The 2007 act further mandates that 16 billion gallons come from cellulosic ethanol (made from wood chips, switchgrass, or corn stover) by 2022, even though no company has yet figured out how to produce it in a commercially viable way. As a result, none was produced in 2011, and none is expected to be manufactured this year.

Market Still Compromised

“The end of the federal ethanol subsidy is a cause to rejoice. After all, it is exceedingly difficult to roll back subsidies once they are in place,” said Daniel Simmons, state director at the Institute for Energy Research. “But we shouldn’t rejoice for too long, because the subsidies were the least important part of the federal government’s promotion of ethanol.

“The federal government mandates the use of ethanol and creates a guaranteed market for this particular biofuel,” Simmons explained. “This means that even though the federal government will save some money, American drivers will continue to subsidize America’s corn farmers and ethanol producers. This is far from a free and open marketplace.”

Bonner R. Cohen, Ph.D. (bcohen@nationalcenter.org) is a senior fellow at the National Center for Public Policy Research.
Wolf Management Returned to Great Lakes States

By Kenneth Artz

Wolves are growing in the northwestern Great Lakes region, with the federal government removing the predator from regional endangered species protections as of January 27. The decision returns management of the species to the state level.

More than 4,000 Wolves
According to the U.S. Department of the Interior, there are currently more than 4,000 wolves in the three core recovery states in the northwestern Great Lakes region, with wolf populations exceeding recovery goals.

Minnesota's population is estimated at 2,900 wolves, while approximately 700 wolves live in Michigan's Upper Peninsula and another 800 are in Wisconsin. Each state has developed a plan to manage wolves after federal protection is removed.

Although sightings are uncommon, wolves have been in Michigan's Lower Peninsula for 20 years, according to the Michigan Wildlife Conservancy.

Wolves moving into the Lower Peninsula may multiply rapidly because of an abundance of wild prey, say experts. Michigan is home to 1.8 million deer, with the Lower Peninsula containing deer densities three to four times that of the Upper Peninsula.

Unique Regional Challenges
Wolves are more populous in the northwestern Great Lakes region than in Idaho, Montana, and Wyoming, where ranching dominates the economy and ranchers fear attacks on their livestock.

The unincorporated town of Atlanta, Michigan sits on the 45th Parallel, the latitudinal line that marks the halfway point between the Equator and the North Pole. The town, which advertises itself as the elk capital of Michigan, is surrounded by heavily wooded forests and 11 area lakes. It's a popular vacation spot and weekend destination, according to its Chamber of Commerce.

Phil LaMore, president of the Atlanta Chamber, says there is plenty of wildlife in the area besides deer and elk. The area is also home to rabbits, coyotes, and bobcats.

"It's an outdoorsman's paradise," which is probably why wolves are moving into the area, said LaMore.

"We're all aware of federal efforts to introduce them into the region, but no one's really seen any yet," he noted.

Ranching, Farming Fears
Opinions vary on the wisdom of encouraging a growing wolf population in the northwestern Great Lakes region.

Thomas Whitmire, who videotapes elk hunts at the nearby Canada Creek Ranch, says he has never seen a gray wolf in Atlanta but has seen them in the wild in Jackson Hole, Wyoming.

"I went there to ski and saw a pack take down an elk once. I don't think they're going to take down any full-fledged healthy elks, but they'll go after the old and the sick, which is fine with me because an unhealthy one can get an entire herd sick," Whitmire explained.

Tom's father, Gary Whitmire, a retired biology teacher and lifelong hunter, also lives in the Atlanta area. Like many people in the community, he is closely following the reintroduction of wolves into the region.

"I attended a meeting with the Michigan Department of Natural Resources, and the farmers were there and they were concerned" about the safety of their animals, Whitmire said.

"There's a little irony in the wolf coming through Lassen County—that's where the last one was shot in 1924," he noted.

The reintroduction of a predator into the area is of concern to ranchers like Hanson because if the wolf population gets large enough it could take a toll on herds.

"One wolf is not a concern for the farmers and ranchers of northern California. However, if enough were introduced, we'd need a plan to manage them to prevent any depredation," Hanson explained.

Kenneth Artz (iamkenartz@hotmail.com) writes from Dallas, Texas.
Canada Withdraws from Kyoto Pact

By Cheryl K. Chumley

Canada is pulling out of the Kyoto Protocol, delivering another setback to advocates of global treaties to reduce carbon dioxide emissions.

‘Not a Way Forward’
The protocol expires this year, but global warming advocates have been hoping to pull together a Kyoto 2 treaty building on the original. Canada is the first nation to withdraw from Kyoto, signaling it considers the protocol a failure.

“Kyoto, for Canada, is in the past, and as such, we are invoking our legal right to withdraw from Kyoto,” Canadian Environment Minister Peter Kent said in a press statement. The treaty, according to Kent, “does not represent a way forward for Canada.”

The decision represents little more than “embarking on reality,” said William Yeatman, an energy policy analyst at the Competitive Enterprise Institute. “Were they to continue in the Kyoto Protocol, they would have faced fines for not having met the targets they signed up to in 1998.”

China Illustrates Failure
China, which emits more carbon dioxide than any nation on Earth and has repeatedly refused to agree to any restrictions on its emissions, denounced Canada’s decision as “irresponsible.”

Yet for many observers, China’s reaction reinforced why international climate treaties have failed. Nearly all the burdens fall on Western democracies, while leading carbon dioxide emitters do nothing to reduce their emissions.

Avoids Economic Pain
Article 27 of the treaty gives any participating nation the authority to withdraw once the protocol has been in force for three years. The nation must give a year’s notice of intent to withdraw. The first commitment period for participating parties to reduce emission levels wraps up at the end of 2012, so Canada’s announcement means it won’t have to comply with any reduction goals or pay any penalties for failing to do so.

That will save Canada billions of dollars, according to Kent.

“To meet the targets under Kyoto for 2012 would be the equivalent of transferring $14 billion from Canadian taxpayers to other countries, the equivalent of $1,600 from every Canadian family, with no impact on emissions or the environment,” he said, according to published statements in the Guardian.

“The International Energy Agency says it would cost $45 trillion to remake the global economy” to comply with stated emission reduction goals, Yeatman explained. “That would require a burden-sharing amongst nations of the world that is unrivaled. There’s no precedent for burden-sharing of this magnitude, not even with wars.”

Cheryl Chumley (ckchumley@aol.com) writes from northern Virginia.

BP Gives Up on Solar Power Business

By Cheryl K. Chumley

BP, an energy company that won praise from environmental activists after adopting the slogan “Beyond Petroleum” while investing heavily in solar power, is shutting down its 40-year-old solar business after executives decided solar power production is not economically competitive.

The company had been scaling back its BP Solar operations since 2008.

“BP’s goal is to profitably grow in specific segments of the energy industry,” said Daren Beaudo, a BP spokesman in the company’s U.S. press office in Texas. “As part of this strategic focus, a decision has been made to exit the solar business. As a result, BP Solar has ceased development of future solar energy projects and is becoming the orderly wind down of its operations.”

The move is expected to affect about 100 employees.

“Over the next several months, BP Solar will complete key projects currently in development and take the steps necessary to transition its obligations and some assets to other BP businesses or to third parties as required,” Beaudo added. “The BP Solar workforce will gradually wind down, as we complete the business transition process.”

Overcapacity, Lower Subsidies
BP’s departure from the solar market comes amid growing competition from China, overcapacity, lower government subsidies, and projected competition from new investors.

“This decision was very difficult given the company’s nearly 40-year history in solar energy,” said Beaudo. “However, the major global solar markets continue to experience tremendous challenges, which ultimately led the company to make this decision.”

BP will continue its solar equipment partnership with Tata Power Co. in India, company executives announced. BP has a 51 percent share of Tata, which is the third-largest solar cell and panel maker in India.

Solar Power Not Competitive
To some, BP’s departure from solar power is hardly a surprise. Industry analysts have been warning for years the market is not feasible in terms of cost-effectiveness and is driven more by environmental agendas, government subsidies, and feel-good motives than reality-based economics.

“From a commercial perspective, solar power has been a total failure, both too expensive and too impractical to appeal to a wide market,” said Matt Patterson, editor of Green Watch at the Capital Research Center and the current Warren Brookes fellow at the Competitive Enterprise Institute.

“In fact, the only reason a solar panel industry exists at all is because governments mandate their use and subsidize their production,” Patterson said. “And even then, solar cannot begin to compete in an open marketplace against the reliability and low cost of fossil fuels.”

Cheryl Chumley (ckchumley@aol.com) writes from northern Virginia.
Whooping Cranes Winter in N.C. for the First Time

By Kenneth Artz

Whooping cranes, among the rarest species in the world, are extending their range into North Carolina, the U.S. Fish and Wildlife Service reports.

Observers say—and U.S. Fish and Wildlife confirms—a pair of the endangered birds is wintering in western North Carolina. This marks the first time whooping cranes have been observed wintering in the state.

Whooping crane numbers dropped to merely 16 birds in 1941. That number has grown to approximately 550 birds in the wild today.

In addition to being extremely rare, whooping cranes are striking in appearance. Adult birds stand five feet tall with spectacular white and black plumage.

First Times as a Couple

Eva Szyszkoski, tracking field manager for the International Crane Foundation, said this is the first time the male and female crane wintering in North Carolina have been spotted together as a couple. She reports there has been plenty of speculation among bird enthusiasts about whether the pair will nest.

Szyszkoski says the female is less than two years old, which is considered too young to lay eggs. If the pair stays together, however, the female could lay eggs as early as next year.

“Whooping Cranes Winter in N.C. for the First Time”

Good Nesting Grounds

Gary Peeples, education and outreach specialist at the U.S. Fish and Wildlife office in Asheville, North Carolina, says this pair of birds resulted from an effort to establish a flock of migrating cranes in the eastern United States. The project is a collaboration among private, state, and federal organizations known as the Whooping Crane Eastern Partnership (WCEP).

There is already a western flock that migrates between the Great Plains in the summer and Texas in the winter. The eastern flock migrates between the Great Lakes region in the summer and the southeastern United States in the winter.

The North Carolina pair is from the eastern flock, consisting of more than 100 birds, which ranges into Georgia and eastern Tennessee. That means they’re not too far from their flock, says Peeples.

“These two are near water—they’re using an old agricultural field, so they’re getting their needs met. It’s January, so it’s a little early to tell if they are going to stay or return next year, but we’re hopeful. We think western North Carolina has everything they need,” Peeples observed.

Birding Community Knows

One question federal Fish and Wildlife agents wrestle with is whether to publicize the arrival of rare species.

“They’re so rare that we don’t want a lot of pressure from spectators,” Peeples explained. However, “once the birding community finds out, word gets out and pretty much everyone knows about it at that point.”

Kenneth Artz (iamkenartz@hotmail.com) writes from Dallas, Texas.

Concerned about Climate Change?

James Taylor says there’s no cause for alarm!

James M. Taylor is managing editor of Environment & Climate News, a senior fellow with The Heartland Institute, and one of the nation’s most sought-after speakers on climate change. He has addressed elected officials, civic organizations, and church groups—always to applause and praise for his knowledge and accessible speaking style.

Taylor is author of The Cap and Trade Handbook (Heartland Institute, 2010) and other Heartland publications. He has appeared on CNN’s Glenn Beck show, the Fox News Channel, and the “Good Morning America” and “Newsmakers” national radio programs. His writing on environmental issues has appeared in the Los Angeles Times, Houston Chronicle, Detroit News, Boston Globe, Tampa Tribune, and elsewhere. He writes a popular weekly column on climate change for Forbes.com.

Engagements are scheduled on a “first come, first served” basis, so call 312/377-4000 today to schedule James Taylor to keynote your next event!

An outstanding speaker ... and an expert on environment issues!
Colorado to Require More Fracking Disclosure

By John Monaghan

Aft er months of deliberations, the Colorado Oil and Gas Conservation Commission unanimously approved new rules increasing disclosure of hydraulic fracturing chemicals.

The new rules, among the most comprehensive in the nation, will require operators to disclose publicly all the chemicals used in the hydraulic fracturing process.

Formulas Remain Proprietary

The rules will require drillers to report all of the chemicals and the concentrations in which they are used in the fracking fluid but will not require reporting of the product into which they were used. The information will be posted on FracFocus.org, a publicly accessible independent Web site managed by the Ground Water Protection Council and Interstate Oil & Gas Compact Commission.

“We believed [FracFocus.org] to be a more efficient and cost-effective approach to work within that framework, at least initially, than to go from the ground up and build our own site,” said Todd Hartman, communications director for the Colorado Department of Natural Resources. “Additionally, FracFocus has made continual improvements, and we believe it to be a highly useful and helpful product.”

Similar to disclosure requirements in Texas and Wyoming, the Colorado rules contain a proprietary exemption that enables businesses to protect trade secrets. Drillers seeking an exemption must complete a form, under penalty of perjury, that attests to the chemical’s proprietary status.

Hickenlooper Drove Deal

Gov. John Hickenlooper (D) played a central role in pulling together support for the new rules. Hickenlooper, a former geologist and businessman, said the new rules will likely serve as a model for other states.

“These new rules give Colorado the fairest and most transparent set of fracking regulations in the country,” Hickenlooper said in a press release. “We believe oil and gas development can thrive while also meeting our high standards for protection of public health, water, and the environment.”

Forging a Compromise

Christopher Guith, vice president for policy at the Institute for 21st Century Energy at the U.S. Chamber of Commerce, says proprietary exemptions should be viewed through the lens of intellectual property.

“The sanctity of intellectual property and its protection is one of the primary reasons the United States is the most innovative country in the world,” said Guith. “If creative minds cannot be assured that a competitor will not be prevented from simply misappropriating its idea, concept, application, etc., then no corporation or individual has much of an incentive to innovate or invest the hundreds of millions of dollars on R&D that are spent annually to advance technology.”

Guith said public disclosure and protection of intellectual property are not mutually exclusive.

“Public disclosure of the materials used in oil and natural gas production is essential,” said Guith. “The public needs to have confidence in industry and its regulators, and transparency helps provide that confidence.”

Hartman suggested states considering disclosure requirements should listen closely to all parties to recognize what the true issues are, beyond the public rhetoric.

“By understanding what industry needed to protect and what was acceptable and preferable to activists, we were able to find areas of overlap that led to a solution, one that included decoupling key information in fracking recipes but still provided enhanced disclosure,” said Hartman. “It provided for continued protection of trade secrets when necessary, but also an unprecedented level of disclosure about fracking chemicals.”

The Colorado rules will take effect April 1.

John Monaghan (jmonaghan@heartland.org) is the legislative specialist for energy and environment issues at The Heartland Institute.

But Disclosure Not Enough, Activists Say

By James M. Taylor

Colorado’s new rules requiring disclosure of fracking fluids may have broad support, but they don’t go nearly far enough to satisfy environmental activist groups.

Speaking at the Energy, Utility & Environment Conference on January 30 in Phoenix, Arizona, Environmental Defense Fund Chief Counsel Mark Brownstein said Colorado and other states need to impose new rules and regulations that go beyond disclosure.

Calls for More Regulations

“Colorado has recently enacted some regulations that are fairly good regarding disclosure of fracking fluids. We hope that other states will pick up on the disclosing requirements that Colorado has enacted,” said Brownstein.

“Nevertheless, disclosure is really only one piece of the regulatory reforms that need to be put in place to ensure the public that hydraulic fracturing is being done in a safe manner that protects the environment and public health,” he continued.

Increased natural gas production provides “real opportunity for our country, but also challenges,” said Brownstein. “Key regulatory reforms need to take place. We need better data about methane leaks and venting that occur in the supply chain. If we want natural gas to be a growing component of our energy supply, we need to reduce methane emissions. ... We also need more data on air quality, water quality, and other environmental issues affected by fracking.”

Regulate, But Don’t Ban

Brownstein said he did not categorically oppose natural gas fracking. He emphasized, however, he believes more regulations and restrictions should be imposed before environmental activist groups can be comfortable that natural gas fracking is being done in an environmentally safe manner.

“What we hope to see in the not-too-distant future is a concerted effort to upgrade regulations. Regulations need to keep up with the continuing advances in technology,” Brownstein explained.

James M. Taylor (jtaylor@heartland.org) is managing editor of Environment & Climate News.
New York State May Extend Fracking Moratorium

By John Monaghan

New York legislators are debating extending for another year the state’s de facto moratorium on hydraulic fracturing.

The current moratorium on permits for new fracking projects, imposed in 2008, is set to expire on June 1, 2012.

Regulatory Structure Not in Place

State Sen. Greg Ball (R-Patterson), who is leading extension efforts in the upper chamber, says the state Department of Environmental Conservation (DEC) has to put the proper mechanisms in place before hydraulic fracturing expands into New York.

Gov. Andrew Cuomo’s (D) fiscal year 2012–13 budget does not include any funding for additional natural gas drilling regulations. The DEC has estimated it would need an additional 140 employees to monitor the industry.

Ball says his desire to keep in place the moratorium on new fracking operations was solidified by a tour he took last summer of Bradford County, Pennsylvania. He says property owners claimed to be negatively impacted by hydraulic fracturing operations.

Four Years of Study

DEC Commissioner Joe Martens said in a press statement following the closure of public comment on the state’s draft hydraulic fracturing rules that the agency has carefully studied the issue for nearly four years and will continue to study each and every issue associated with this activity.

“Unfortunately this bill will stop all fracking, virtually shutting down the natural gas drilling that has been ongoing for decades in the western part of the state.”

JANET DUPREY, ASSEMBLYWOMAN, PERU, NEW YORK

“DEC’s number one priority is to ensure conditions for high-volume hydraulic fracturing fully protect public health and the environment,” said Martens. “If high-volume hydraulic fracturing moves forward in New York, it will move forward with the strictest standards in the nation to ensure New York’s drinking water and other natural resources are thoroughly protected.”

Record of Safety in NY

Assemblywoman Janet Duprey (R-Peru) says although she understands the concerns of those living in the New York City watershed, she does not think it is fair to prevent responsible development in other areas of the state.

“A June 2011 study produced by the Manhattan Institute found ending the moratorium would spur $11.4 billion in economic output and create 15,000 to 90,000 jobs, depending on the adopted regulatory regime. The study also found a typical Marcellus gas well generates about $4 million in economic benefits against just $14,000 in economic damages.”

West Virginia Imposes New Regulations on Fracking

By Alyssa Carducci

West Virginia energy producers are under greater restrictions after the signing of a law imposing new regulations on natural gas production through hydraulic fracturing techniques.

The new law, the Horizontal Well Act, imposes $5,000 to $10,000 fees on new wells and subjects applications for new wells to strict public notice requirements, bureaucratic approval processes, and newly imposed setback requirements.

The West Virginia legislature approved the bill on December 14 at the conclusion of a four-day special session. The House passed the bill by a vote of 92–5. The Senate then passed it unanimously. Gov. Earl Ray Tomblin, a Democrat, signed it into law on December 22.

The new law “provides reasonable regulations to protect the environment and opens the door to new job opportunities for the citizens of our state,” Tomblin said in a press statement accompanying his signing of the measure.

New Requirements

The act applies to any horizontal well other than coalbed methane that disturbs three acres or more of surface land or uses more than 10,000 gallons of water in any 30-day period. Among its provisions, the act requires energy producers to:

• publish a legal advertisement prior to applying for a permit,

• declare the components of the hydraulic fracturing fluids,

• pay $10,000 for an initial well and $5,000 for each additional well on the same site, and

• locate wells at least 100 feet from any lake or perennial stream, 250 feet from an existing water well, 650 feet from an occupied dwelling, and 1,000 feet from any public water supply intake.

Record of Environmental Safety

Hydraulic fracturing has proven to be environmentally safe even without the new restrictions, says Robin Millican, a public policy associate at the Institute for Energy Research.

“Hydraulic fracturing has been around since the 1940s, it has been used in more than 1 million wells, and according to the states that have oil and gas operations, there has yet to be a confirmed incident of drinking water contamination resulting from its use,” said Millican.

Hidden Tax?

Millican noted money from the $10,000 and $5,000 fees will be given to the state Department of Environmental Protection to close a funding deficit.

“I question the need for requiring industry to provide public notice on every well, as well as the $10,000 fee for the first well drilled on a pad and $5,000 fee for each additional well. Those fees look a lot like a tax,” she said.

Millican nevertheless applauded West Virginia’s decision to uphold the right of energy companies to produce natural gas through hydraulic fracturing.

“At least West Virginia is allowing drilling and job creation. New York state has a moratorium on high-volume hydraulic fracturing. ... West Virginia’s new regulations are at least reasonable enough to allow fracking to continue, undoubtedly because it’s safe and a good thing for the state’s economy,” Millican explained.

Alyssa Carducci (ad.carducci@gmail.com) writes from Tampa, Florida.
Kansas Is Cashing in on Fracking

By H. Sterling Burnett

Kansas is the focus of a new land rush taking place in middle America. This time, it is not homesteaders or yeoman farmers grasping for the rich soil; it’s energy producers eager to tap abundant oil and natural gas resources through hydraulic fracturing (also known as fracking) techniques.

In the process, jobs are being created, new revenues are pouring in to government coffers, and citizens are becoming wealthier.

Fracking’s Kansas Roots

Fracking is a method of oil and gas production in which large volumes of water and various chemicals are pumped at high pressure into relatively porous shale rock to release oil and natural gas from the shale. This method of nontraditional natural gas production largely has been responsible for the surge in production—and the decline in prices—nationwide during the past few years. Fracking, pioneered in Kansas, has been used in oil and natural gas production since 1949. It is responsible for 30 percent of domestic oil and natural gas production in the United States.

The National Petroleum Council estimates 60 to 80 percent of all wells drilled in the United States during the next decade will utilize fracking techniques.

Reaping Economic Benefits

“Over the past several years Americans have benefited from lower and more stable natural gas prices due to the development of technologies that allow energy producers to access new supplies of domestic natural gas from shale formations and other unconventional reservoirs,” said Todd Wynn, director of the Energy, Environment, and Agriculture Task Force of the American Legislative Exchange Council (ALEC).

“Energy affects all aspects of American life and is indispensable for economic growth,” Wynn added. “The hydraulic fracturing process is opening up new opportunities to access affordable and reliable energy in this country. State legislatures and the federal government are recognizing this opportunity and will hopefully allow the industry to flourish in a responsible manner.”

Energy companies are responding, producing an increasing amount of oil and natural gas in Kansas. Chesapeake Energy alone has bought mineral leases on more than 400,000 acres—paying more than $1,000 an acre for the most promising properties.

Energy companies currently pump more than $6 billion annually into the Kansas economy, and that amount is expected to grow in the coming years as new wells are drilled. The Kansas Corporation Commission, which regulates the oil and gas industry, reports the number of intent-to-drill notices filed with the state in 2011 has nearly doubled since 2009, when 2,800 such notices were filed.

Kansas Refuses to Miss Out

State Rep. Larry Powell (R-Garden City) says energy production is helping turn around the Kansas economy.

“It will be good for jobs, it will be good for state revenues, and it will be good for America’s energy future. Fracking is not new, and it’s going on all over, so there’s no reason Kansas should miss out on the boom.”

Larry Powell
State Representative
Garden City, Kansas

Kansas refuses to miss out on the boom. The governor is behind it, I support it, and landowners love it—lease rates just keep increasing.”

H. Sterling Burnett (sterling.burnett@ncpa.org) is a senior fellow at the National Center for Policy Analysis.
New CO2 Emissions Data Dampen Warming Fears

By James M. Taylor

U.S. carbon dioxide emissions continue to track lower than year 2000 levels, the U.S. Energy Information Administration (EIA) reported on January 23, extending this century’s downward trend in U.S. emissions.

Natural Gas Plays Key Role

The primary reason for emissions remaining on a downward trajectory this century is the increasing number of natural gas-fired power plants. Recent discoveries of immense amounts of natural gas trapped in shale rock, coupled with the development of new technologies to capture and produce such shale gas, are driving natural gas prices down.

U.S. power plants currently produce 50 percent more power from natural gas than during the year 2000. Natural gas power production emits approximately 40 percent less carbon dioxide than coal power.

Additionally, natural gas power slashes by more than 80 percent many pollutants tracked by the U.S. Environmental Protection Agency.

Promising Emissions Future

EIA projects the percentage of U.S. power generated by natural gas will gradually increase. Natural gas currently powers 24 percent of the nation’s electricity. EIA projects natural gas will power 27 percent of the nation’s electricity in 2035.

EIA also projects very little increase in future U.S. carbon dioxide emissions. Carbon dioxide emissions will remain below 1999 levels until at least 2035, EIA projects.

If natural gas use exceeds EIA projections, carbon dioxide emissions are likely to be even lower than currently projected.

Free Markets Work

“The EIA report shows once again that free markets are the best means of providing environmental stewardship in a manner that does not impoverish people,” said Jay Lehr, science director for The Heartland Institute, which publishes Environment & Climate News. “Private companies have recently discovered vast amounts of natural gas trapped in shale rock, developed new technologies to recover the shale gas, and brought the natural gas to market in a cost-competitive manner. These private initiatives are the primary reason why U.S. carbon dioxide emissions remain below 2000 levels despite a growing population and more economic activity.

“Environmental activists reveal that they are more anti-energy and anti-progress than pro-environment when they oppose the hydraulic fracturing techniques that recover natural gas from shale formations,” Lehr explained. “Not only is hydraulic fracturing environmentally safe, but the resultant shale gas allows us to produce electricity with a minimum of emissions.”

James M. Taylor (jtaylor@heartland.org) is managing editor of Environment & Climate News.

U.S. Court Blocks California Carbon Emissions Rule

By Cheryl K. Chumley

A federal district court has put a temporary stop to a California Air Resources Board (CARB) rule restricting carbon dioxide emissions from transportation fuels.

According to the court, the rule violates the U.S. Constitution’s Commerce Clause by discriminating against oil and biofuel producers located outside the state of California.

The court’s December 29 decision did not take issue with CARB’s asserted authority to impose carbon dioxide restrictions and stringent reporting requirements. The decision requires CARB rules to avoid discriminating against fuel sources based on where they are produced.

‘A Belated Christmas Present’

“I, along with every single California consumer, was given a belated Christmas present when the Eastern District of California Federal Court placed a stay on the implementation and enforcement of California’s Low Carbon Fuel Standard,” said Tom Tanton, president of T2 & Associates, an energy technology firm, and a fellow in environmental studies at the Pacific Research Institute. “Potentially increasing fuel costs by 20 or 30 percent for no discernible benefit flies in the face of good government and environmental protection.”

Tanton also said it was “high time” CARB was challenged on its members’ “roughshod” treatment of Californians.

Damaging California’s Economy

“Oil and gasoline are used in transportation vehicles precisely because they are less expensive than alternative fuel sources,” said Jay Lehr, science director for The Heartland Institute, which publishes Environment & Climate News. “Reducing carbon dioxide emissions by punishing inexpensive energy sources is only going to hurt California consumers. The court gave California consumers an economic break by halting the CARB rule.

“Oil and gasoline are also more dependable fuel sources than the proposed alternatives,” Lehr explained. “California has for years been trying to impose alternative fuel mandates on its consumers, but even the enormous power of the state has been unable to force such a transition. The state has done its best to create and encourage hydrogen highways, hybrid vehicles, electric plug-in vehicles, fuel-cell vehicles, etc., but where are the results from all these expensive programs? The results have merely been money sent down the drain.”

Trevor Burrus, a legal associate with the Cato Institute’s Center for Constitutional Studies, said the court’s decision will likely withstand appellate court review.

“At the very least,” he said, “it will not be easily overturned.”

The in-state versus-out-of-state discrepancies involved in the California case provide solid cause for discriminating charges, Burrus says.

“As the court describes, the different treatment between out-of-state providers and identical in-state providers is facially discriminatory and thus must meet strict scrutiny, ... the highest level of constitutional scrutiny,” he said. “In order to survive, a law must not only forward a compelling interest of the state, but it must be narrowly tailored to reach that goal.”

In other words, Burrus explained, “if there are other methods of accomplishing the goal that do not discriminate, then the law will fail.”

Cheryl Chumley (ckchumley@aol.com) writes from northern Virginia.

“Not only is hydraulic fracturing environmentally safe, but the resultant shale gas allows us to produce electricity with a minimum of emissions.”

JAY LEHR, SCIENCE DIRECTOR
THE HEARTLAND INSTITUTE
Spain Halts Subsidies for Renewable Power Projects

By James M. Taylor

The Spanish government has announced it is halting subsidies for renewable energy projects.

Once held up by U.S. President Barack Obama as a role model for the U.S. energy economy, Spain says it no longer can afford to dump money into renewable energy projects that are not providing reliable energy and are not living up to economic promises.

“What is today an energy problem could become a financial problem,” said Industry Minister Jose Manuel Soria in a press statement.

Spain’s unemployment rate reached 22.8 percent in January, more than double what it was in 2005 when Spain began its far-reaching renewable energy initiative.

“Will America watch as the clean energy jobs and industries of the future flourish in places like Spain?” Obama asked in a 2009 speech on renewable energy.

Spain’s renewable energy woes do not come as a surprise to economic observers. Juan Carlos University published research in 2009 showing Spain’s renewable energy initiative killed 2.2 jobs for every one job it created.

Higher Prices Kill Jobs

“The wind and solar power that is championed by environmental activist groups are less reliable and substantially more expensive than conventional energy,” said Jay Lehr, science director for The Heartland Institute, which publishes Environment & Climate News. “Common sense dictates that you don’t grow the economy by forcing people to pay higher prices for the same goods and services they buy at inexpensive prices today.

“While renewable energy projects may create a small number of jobs, far more jobs are destroyed elsewhere in the economy when higher energy prices mean people have less money to spend on other goods and services, such as food, clothing, housing, education, and durable consumer goods. This is the Economics 101 lesson that renewable energy activists seem incapable of learning,” Lehr added.

James M. Taylor (jtaylor@heartland.org) is managing editor of Environment & Climate News.

Oklahoma Challenges EPA Restrictions Regarding Haze

Continued from page 1

ants coming from power plants.

“Controlling emissions that improve visibility also prevents health risks including increased asthma symptoms and premature death,” EPA said in a prepared statement.

Oklahoma Attorney General Scott Pruitt has announced plans to appeal the EPA mandate, which the agency handed down on December 13.

Ulterior EPA Motives

H. Sterling Burnett, a senior fellow with the National Center for Policy Analysis, says the EPA mandate has little to do with visibility limitations in national parks or health risks.

“It’s about power, shifting the power from the states where Congress and the courts have placed it, to executive agencies where this president wants it to satisfy his radical environmental constituency,” Burnett said.

“EPA is creatively and aggressively trying to run roughshod over the states’ rights to set energy and environmental policy,” Yeatman said. “This is really the frontier of environmental federalism.”

Yeatman says the administration’s motive is to raise costs to make wind and solar energy competitive. “Basically this is a means to an end. The EPA wants the power to make electricity generated from coal power plants to be more expensive so that it will become more costly than already-expensive energy generated from renewables,” Yeatman observed.

“It’s really pretty transparent what they’re trying to do. President Obama told us that he wanted to bankrupt the coal industry. Through the EPA with this legislation, he’s well on his way to doing it,” Yeatman explained. “This legislation won’t promote health. It won’t promote prosperity. When you waste money, you cannot achieve prosperity.”

William Yeatman, Energy Policy Analyst, Competitive Enterprise Institute

“This legislation won’t promote health. It won’t promote prosperity. When you waste money, you cannot achieve prosperity.”

Kenneth Artz (iamkenartz@hotmail.com) writes from Dallas, Texas.
President Barack Obama has denied a permit for the Keystone XL pipeline, which would deliver up to 900,000 barrels of oil per day from neighboring Canada to American refineries.

Although the federal government has been studying the proposed pipeline since 2008, Obama said a congressionally imposed February 21 deadline to approve or reject the proposal did not allow the government enough time to make an informed decision.

“This announcement is not a judgment on the merits of the pipeline, but the arbitrary nature of a deadline that prevented the State Department from gathering the information necessary to approve the project and protect the American people,” said Obama in a press statement accompanying his decision.

**Longer than World War II**

Pipeline supporters noted tens of thousands of jobs would have been created during construction of the pipeline. They argued the federal government had plenty of time to evaluate the pipeline and approve the shovel-ready project.

“We fought and won World War II in less time than it’s taken so far to evaluate this project,” said Rep. Joe Barton (R-TX), chastising a State Department official sent to explain Obama’s decision to the Energy and Power Subcommittee of the House Energy and Commerce Committee. “I mean, with all due respect, it is an insult to the American people to say that you need more time.”

**Future Uncertain**

China has indicated it would be happy to purchase the oil TransCanada proposes to send to the United States via the pipeline. TransCanada chief executive Russ Girling continued to hold out hope Obama would change his mind or a new administration would approve the project.

“While we are disappointed, TransCanada remains fully committed to the construction of Keystone XL,” said Girling in a press statement.

**Clear National Interest**

Daniel Simmons, director of regulatory and state affairs for the Institute for Energy Research, took issue with Obama’s claim that he needed to protect the American people from the pipeline.

“Building and operating the Keystone XL pipeline will undoubtedly create jobs and provide the United States with more oil from our closest ally. How could that not be in the national interest?” Simmons asked. “It is clearly in the national interest to get more oil from Canada instead of less-reliable countries.

“There is no conceivable reason, other than pure politics, that has taken President Obama over three years to ponder whether getting more oil from Canada is in the national interest,” Simmons explained.

“Thousands of miles of pipeline already crisscross the Keystone XL region,” Simmons added. “Adding one with state-of-the-art technology improves rather than detracts from environmental safety in the region.”

Alyssa Carducci (ad.carducci@gmail.com) writes from Tampa, Florida.
EPA’s McCarthy ‘Can’t Answer’ Question on Its

By James M. Taylor

U.S. Environmental Protection Agency Assistant Administrator Gina McCarthy said she “can’t answer” a question on how EPA calculates the monetary value it assigns to each life the agency allegedly extends through regulation.

Asserted Economic Benefits

During a presentation on January 30 at the Energy, Utility & Environment Conference (EUEC) in Phoenix, Arizona, McCarthy presented several estimates of how much money EPA is providing in societal benefits through power plant regulations.

She claimed, for example, EPA’s proposed Cross States Air Pollution Rule will provide between $120 billion and $280 billion in benefits each year. She also claimed EPA’s new Mercury and Air Toxics Standards (MATS) will provide between $37 billion and $90 billion in benefits each year. McCarthy said for every dollar energy producers spend to comply with MATS, society will gain between three and nine dollars in health benefits.

Calling out energy providers and consumer watchdogs who have protested the high costs of EPA regulations, McCarthy defiantly challenged, “If you are worried about whether this will benefit the economy, read those figures.”

Federal Agencies Disagree

Much of EPA’s asserted benefits accrue through the agency’s calculation that each life it extends through regulations provides $9.1 million in societal value.

EPA’s $9.1 million figure is higher than that asserted by any other federal agency.

For example, the Food and Drug Administration (FDA) asserts a life extended is worth $7.9 million, and the Department of Transportation (DOT) assumes a life extended is worth $6 million. EPA itself asserted as recently as three years ago a life extended is worth $6.8 million.

‘I Can’t Answer the Question’

During a press conference at the EUEC, this reporter asked McCarthy how EPA arrives at its $9.1 million valuation, McCarthy said EPA “works in close consultation with the White House” to arrive at its figure.

“EPA's asserted benefits, however, are not economic. The asserted benefits are largely the subjective value that EPA places on a person allegedly living a little bit longer due to EPA regulations.

“When EPA bureaucrats say their regulations will ‘help the economy,’ they are being misleading at best,” Dunn explained. “Even if, for the sake of argument, EPA is not inflating the value it places on a life extended, its asserted benefits are noneconomic in nature. The economy pays dearly for EPA regulations, even if EPA says the noneconomic benefits are worth the price.”

You can say, ‘I think the subjective value people place on having their life

Also Defends New Emissions Curbs

By James M. Taylor

New and proposed restrictions on U.S. power plant emissions will save lives and benefit the economy, said U.S. Environmental Protection Agency Assistant Administrator Gina McCarthy at the Energy, Utility & Environment Conference January 30 in Phoenix.

McCarthy said she expects the new and proposed restrictions to survive ongoing legal challenges.

EPA Responding to Obama

McCarthy said President Barack Obama is very concerned about mercury emissions and wants to cut the nation’s use of fossil fuels.

“He had a clear statement on this country’s commitment to reducing fossil fuel use. He had a great statement on having an all-of-the-above strategy,” said McCarthy.

EPA is addressing mercury emissions through the Mercury and Air Toxics Standards, which were finalized December 16.

“The rule is important because it is the first time we have established national standards for toxic emissions,” McCarthy explained.

“We are not picking on power plants,” McCarthy asserted. “The simple fact is these rules are about 20 years overdue.”

Defending Cross States Rule

EPA’s Cross States Air Pollution Rule (CSAPR) was finalized July 11. A federal appellate court has blocked EPA from implementing the rule while it considers legal challenges.

“CSAPR is legally sound, and EPA will continue defending it vigorously. ... We fully expect to get an answer on the merits very soon,” said McCarthy.

Power Plants First Target

McCarthy emphasized EPA will continue to impose restrictions on power plants before placing new restrictions on other sectors of the economy.

“The power plants far exceed any other stationary source category as far as their emissions. ... We are intending to move forward with power plants and refineries this year. We will not move forward on other sectors of the economy this year. We will attack these first,” said McCarthy.

Despite protests from consumer and energy providers about added costs imposed by EPA’s new and proposed restrictions, McCarthy said energy providers want the restrictions and will benefit economically from them.

“As industry is making investments, they want to know what the full sweep of regulation will be,” McCarthy asserted.

“I think we did a wonderful job looking at the standards that industry thought were too tight to achieve, regarding what coal could meet and what technology could achieve,” said McCarthy. “If we are right, there will be a significant introduction of new technologies into the energy marketplace.”

James M. Taylor (jtaylor@heart land.org) is managing editor of Environment & Climate News.
“EPA is not preventing an army of twenty-somethings from dying grossly premature deaths. Instead, even if we accept EPA’s highly suspect data-mining, EPA regulations add mere hours or days per life extended.”

JOHN DALE DUNN, M.D.
POLICY ADVISOR
AMERICAN COUNCIL ON SCIENCE AND HEALTH

Assistant Administrator McCarthy said she could not answer the question: The answer is embarrassing for EPA,” Dunn observed. “EPA is not preventing an army of twentysomethings from dying grossly premature deaths. Instead, even if we accept EPA’s highly suspect data-mining, EPA regulations add mere hours or days per life extended.

“...we accept EPA’s highly suspect data-mining, EPA regulations add mere hours or days per life extended.

To say that adding a few hours or days to an elderly person’s life is worth taxpayers spending $9.1 million is quite a bold statement,” said Dunn. “And to say that adding a few hours or days to an elderly person’s life provides $9.1 million in economic value is simply preposterous.

“It is also curious that EPA claims a higher monetary value per life saved than the Food and Drug Administration and the Department of Transportation,” observed Dunn. “DOT regulations are designed to prevent sudden tragedies that strike people of all ages. DOT is saving many more years of life per accident avoided than the few days of life extended by EPA regulations, yet EPA has the audacity to claim a higher benefit value than DOT.

“EPA is cooking the books when it claims the benefits of its new and proposed regulation outweigh their extremely high costs,” Dunn summarized.

Minimal Life Extension
This reporter also asked McCarthy how much time is added, on average, to each life allegedly extended by EPA regulations.

McCarthy said she could not answer that question, either.

“There is a good reason why extended is $9.1 million,’ but that certainly doesn’t mean the economy grows by $9.1 million each time a life is extended,” Dunn observed. “EPA is comparing economic apples to non-economic oranges, and the agency is being misleading at best when it claims its regulations benefit the economy.”

Assistant Administrator McCarthy said she could not answer the question: The answer is embarrassing for EPA,” Dunn observed. “EPA is not preventing an army of twentysomethings from dying grossly premature deaths. Instead, even if we accept EPA’s highly suspect data-mining, EPA regulations add mere hours or days per life extended.

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“EPA is cooking the books when it claims the benefits of its new and proposed regulation outweigh their extremely high costs,” Dunn summarized.

James M. Taylor (jtaylor@heartland.org) is managing editor of Environment & Climate News.

Energy Dept. Optimistic about Fracking’s Potential

By James M. Taylor

Natural gas should play an important role in the nation’s clean energy future, said Chris Smith, deputy assistant secretary for oil and natural gas in the Office of Fossil Energy of the U.S. Department of Energy, at the Energy, Utility & Environment Conference in Phoenix.

Shale gas recovered through hydraulic fracturing (fracking) procedures will be a key component of the energy mix, Smith emphasized.

Smith acknowledged environmental activists’ concerns about fracking. Technological advances and common-sense regulations can address those concerns, he said in the January 30 speech.

“When you look at shale gas, there are some technological challenges, but the technological challenges are manageable. ... We believe this is an area where we can get it right,” Smith said.

Obama on Board
Smith emphasized the importance the Obama administration is placing on natural gas.

“The development of natural gas will create jobs and power trucks and factories that are cleaner and cheaper, proving that we don’t have to choose between our environment and our economy,” said Obama, as quoted by Smith.

The abundance of natural gas locked in shale formations gives the nation an opportunity to expand its energy options, Smith noted.

“Here in the United States we have enough supplies for 100 years. This is an opportunity to diversify our energy portfolio and move away from imported oil,” Smith said.

Environmental Focus
The main challenges to natural gas production are environmental concerns and regulation, Smith said.

“Our focus is now going to be on environmental sustainability, safety, and collaborating with state agencies. ... We have to listen to people’s concerns. We are not just educating the public, we are listening to their concerns and acting on them,” said Smith.

Smith said the United States can increase global living standards and cement friendly international relations by developing and sharing productive and environmentally friendly shale gas recovery technologies. “We are the only nation in the world that is producing shale gas in such large quantities,” said Smith.

“We have an opportunity to develop and share technologies with other countries to help them produce shale gas in the best possible manner. Other countries can choose to produce shale gas how they wish, but we have an opportunity to shorten the learning curve for them and share best practices and technologies with them,” he said.

James M. Taylor (jtaylor@heartland.org) is managing editor of Environment & Climate News.
**BOOK REVIEW**

**Freedom Leads to Hope**

**Review by Jay Lehr**

Dennis Hedke is a skillful geophysicist with considerable knowledge of energy resources and a fiery desire to take back our country from our current leaders. He is currently serving in the Kansas State Legislature. His new book, The Audacity of Freedom, provides a powerful counterweight to a similarly named book written by our sitting president.

**Uncontainable Enthusiasm**

Hedke does not mince words in describing the crisis that threatens our country. His recitation of compelling facts, candor, faith, and patriotism are infectious. Throughout the book he exhorts his readers to play an active role in reclaiming the nation bequeathed to us by our Founding Fathers.

He does so in a scholarly fashion, crediting the work of dozens of major thinkers such as Thomas Sowell, Roy Spencer, Robert Bryce, Christopher Horner, Dick Armey, Stephen Moore, and Jonah Goldberg. He also refreshingly admits to being biased, political, and controversial. But he got me on board early when he had the guts to claim the need to do away with every reference to Blank-status—African-, Irish-, Native-American, etc.—saying let’s get away with every reference to Blank-status.

Through his easy writing style, Hedke argues EPA should be replaced by a committee of the whole of the 50 state agencies. This could be achieved by a full and complete overlap of what EPA does and what the 50 state environmental protection agencies do.

**Courageous Fossil Fuels Defense**

Hedke is quite the Mideast scholar and offers the reader an excellent tutorial on the history of Israel, its neighbors, and their importance to us. But the book’s primary focus is on energy. He provides compelling commentary on our energy abundance and the successful efforts of anti-energy zealots to lock up this potential source of national wealth.

In particular, Hedke does a fantastic job of disassembling the myth that renewable energy is environmentally friendly. His refutation of ethanol, for example, is powerful and courageous for a representative of the people in the midst of the nation’s breadbasket.

Hedke revealingly ranks all fuel sources in terms of energy density, displayed as watts, that can be harvested on a square meter of land.

The evidence reveals the fuel sources most opposed by environmental activists are the most valuable. For example, energy densities include nuclear at 56; oil, 53.5; natural gas, 53; solar, 6.7; wind, 1.2; and ethanol, 0.5.

He completely dismembers any idea that wind and solar have significant value to the nation, and he really takes a hatchet to T. Boone Pickens’ gigantic wind farm promotion aimed at making the country poor but himself richer.

Although most readers of Environment & Climate News already have witnessed the unraveling of the global warming delusion, Hedke provides an excellent summary of the tale to date. He also takes apart in great detail the myth that carbon dioxide emissions are bringing about an ocean acidification crisis.

**State-Centered Protection**

For the average reader, no section of this book will be of greater interest and value than the one containing an up-to-date picture of today’s out-of-control U.S. Environmental Protection Agency.

Its budget now stands at $10.4 billion. Its manpower is now 18,000, with 14 offices: Administration and Resources, Air and Radiation, Chemical Safety and Pollution Prevention, Enforcement and Compliance, Environmental Information, Environmental Justice, Finance, General Counsel, Inspector General, International Affairs, Pesticide and Toxic Substance Prevention, Research and Development, Solid Waste and Emergency Response, and Water. In addition, EPA has 10 regional offices.

The internal overlap and redundancy should be obvious just from reading this list, but in addition there is essentially full and complete overlap of what EPA does and what the 50 state environmental protection agencies do.

Hedke argues EPA should be replaced by a committee of the whole of the 50 state agencies. This could be achieved while cutting EPA financial outlays by 80 percent and sacrificing zero environmental protection.

Because of Hedke’s easy writing style and unbridled enthusiasm, you could mistake this book as emanating from an enthusiastic and untrained layman. It is in fact anything but. It is a scholarly work by a well-trained scientist who simply cannot contain his enthusiasm for freedom and freedom-based solutions to societal problems.

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Each month, Environment & Climate News updates the global averaged 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/uahncdc.lt

DECEMBER 2011

The global average temperature for December was 0.13°C above normal.

The Northern Hemisphere’s temperature was 0.21°C above normal.

The Southern Hemisphere’s temperature was 0.05°C above normal.

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