

# COOLER HEADS

Vol. VIII, No. 12

"May Cooler Heads Prevail"

June 9, 2004

*A bi-weekly report on the politics, science, and economics of global warming*

**By the Competitive Enterprise Institute**

## Politics

### **Cost Estimates Keep Rising on Lieberman-McCain Climate Bill**

A new study by Charles River Associates provides a fuller picture of the costs of the weaker version of S. 139, the Climate Stewardship Act, that was defeated on the Senate floor last year, by incorporating adjustments to investment decisions and consumption choices made as a result of the effects of the bill. The study finds that residential electricity prices could rise by up to 43 percent by 2020, the average household would lose up to \$2,255, and GNP would fall by almost 2 percent. As a result, the nation would lose 600,000 jobs.

The detailed results for the United States are as follows. Residential electricity prices would rise 13-31% by 2010, and by 19-43% by 2020. Retail gas prices would rise 9-23% by 2010, and 14-36% by 2020. The average household, with an income of \$49,000, would lose \$625-\$1346 each year by 2010, rising to a loss of \$1043-\$2255 by 2020 (representing a maximum loss of almost 5 percent of household income).

The cost burden falls most heavily on the poor, despite the bill's setting up of a new welfare bureaucracy to mitigate its effects. The poorest 20 percent of households with an income of \$14,600 or less will bear an energy cost increase burden 64 percent larger than the highest income households. The elderly will similarly be faced with a burden 15 percent larger than that for the under-65s.

The study estimates an annual loss to gross domestic product from \$164 billion to \$525 billion by 2025. The expectation of a further tightening of emissions caps in 2010 and later (as is implicit in the bill) produces job losses of 250,000 and 610,000 in 2010 and 2020 respectively. The reduction in economic activity would have a further effect on government revenue, reducing tax incomes from motor fuels tax and income tax by a total of \$7.5 billion to \$19 billion in 2010. The bill would seriously affect industries outside the energy sector, reducing motor vehicle production by up to \$24 billion and agriculture by up to \$29 billion.

Released by United for Jobs 2004 ([www.unitedforjobs2004.org](http://www.unitedforjobs2004.org)) and the American Council for Capital Formation on June 8, the study also examines the effects on individual States. Illinois consumers, for instance, will see slightly lower increases in prices but slightly larger reductions in household incomes, and the loss of up to 25,000 jobs in the State. Pennsylvania residents will see electricity prices rise up to 54% and the loss of up to 28,000 jobs. The electricity and oil refining industries there will be particularly badly hit.

Louisiana, whose Senator Mary Landrieu has hinted she might vote in favor of the bill, would be much worse hit than the national average. Electricity prices could rise up to 52 percent, gas prices by up to 42 percent. Household income could drop by \$2,818 and up to 20,000 jobs could be lost. Gross state product would drop by up to \$11.5 billion in 2025, with state revenues falling by \$211 million.

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West Virginia, however, suffers the most of the States so far analyzed. Gas prices would rise up to 44 percent, but electricity prices could rise by as much as 76 percent. The burden would fall particularly disproportionately on the state's poor, who would face a burden 70 percent higher proportionally than the highest incomes.

Senators Joseph Lieberman (D-Conn.) and John McCain (R-Az.) offered phase one of S. 139 last October 30, when it was defeated by a 43 to 55 vote, and are seeking another vote this summer. Their amendment would cap greenhouse gas emissions at 2000 levels by 2010. Sen. McCain has also said that once this cap is enacted into law, he will immediately seek lower future emissions caps.

### Canadian Conservatives Promise to Scrap Kyoto if Elected

Canada could be the next country to put national interest above rhetoric in repudiating the Kyoto Protocol. The leader of the Conservative Party, Stephen Harper, told the *Canadian Press* (June 9) that he would scrap the implementation of the Kyoto procedures and instead introduce a bill aimed at reducing air pollution by 2010. He said, "Kyoto is never going to be passed and I think we'd be better to spend our time on realistic pollution control measures."

The measures Harper would introduce instead would focus on genuine pollutants rather than carbon dioxide, but there are few details on the extent of the planned legislation. Canadian environmentalists have reacted with outrage to the suggestion, with the Sierra Club taking the ultimate step of ejecting him from its "eco-Olympics" in protest.

Current polls (*Bloomberg News*, June 9) show the Conservative Party's surprising revival, with a 37 percent to 34 percent lead over the Liberal Party (there are appreciable third party votes in Canada). It is unlikely with the current polling numbers, however, that the Conservatives will hold a majority of seats in the 308-member House of Commons. Canada's federal elections are scheduled for June 28.

### "Popcorn, Escapist Fare"

Despite terrible reviews, the global cooling disaster movie, *The Day After Tomorrow*, is

proving a hit at the box office. The movie failed to capture the #1 spot at the box office over the Memorial Day weekend, losing out to *Shrek 2*. Nevertheless, it managed to take in \$86 million over the period and had ticket sales of \$133 million by June 7, although it will probably soon be overtaken in revenue terms by the new Harry Potter movie. *The Day After Tomorrow* has proved to be even more of a hit overseas, drawing in \$185 million offshore. This includes \$28 million in the UK, \$18 million in Germany, and \$12 million in Mexico. Fox Pictures' head of distribution Bruce Snyder explained the movie's popularity to internet site *Box Office Mojo*: "It's good, popcorn, summer escapist fare.... It's a thrill ride and ends in a positive way."

## Economics

### More Experts Confirm that IPCC Temperature Predictions are Bunk

The careful work of Ian Castles, former chief statistician of Australia, and David Henderson, former chief economist of the OECD, in analyzing the implausibility of the economic projections on which the temperature increases predicted in the UN Intergovernmental Panel on Climate Change's *Third Assessment Report* critically depend was dismissed intemperately by the IPCC late last year (see Dec. 26, 2003 issue). Now, independent experts have confirmed the validity of Castles and Henderson's analysis and exposed the inadequacy of the IPCC's reply.

The debate centers around the validity of using Market Exchange Rates (MERs), as the IPCC does, or Purchasing Power Parity (PPP) as the basis for predicting future economic output. The responses of the IPCC (also referred to in this context as the SRES Teams) have now been reviewed by an expert in economic statistics, Jacob Ryten, a leading figure in the development, evaluation and implementation of the International Comparisons Programme.

Mr. Ryten comments that he "cannot help being shocked by the contrast between the [IPCC] Teams' bold assertions and peremptory dismissal of the arguments advanced by Castles and Henderson, and their manifest ignorance of the conceptual and practical issues involved in developing and using intercountry measures of economic product." Mr. Ryten concludes



(referring to the IPCC's choice of MER over PPP) that, "Worse than rejecting a statistical measure of which one is ignorant even though it appears to answer an intelligible question is accepting one about which one is equally ignorant but answers no intelligible questions whatsoever." Ryten's paper is to appear in a forthcoming issue of *Energy & Environment*.

The criticisms have also been investigated by Professor Warwick McKibbin of the Australian National University and the Brookings Institution and two co-authors (the resulting paper is now available on the Lowy Institute website at <http://www.lowyinstitute.org/Publication.asp?pid=129>). Professor McKibbin and his colleagues have also prepared and are considering the publication of a reduced version of the paper which focuses on the SRES aspects. Among its more important conclusions are:

\* The SRES scenarios in their present form are neither transparent nor reproducible. The relationship between the driving force assumptions and projected emissions is "far from clear," and until this information is made available "it is difficult to assess the usefulness of the SRES projections;"

\* There are various problems with these projections which would arise if the SRES authors had done what they said they had done, but "it may just be that the models did something completely different to what is suggested in the SRES report;"

\* It is crucial to understand the drivers of emissions projections and their sensitivity to changes in key assumptions, but "this understanding cannot be gleaned from the SRES in its current form;" and

\* The broad range of projections produced by the IPCC without any sense of likelihood is "of limited use to policymakers" and is "potentially misleading."

The current state of the debate was summed up by the *Economist* (May 27) as follows: "The IPCC claims that measuring at PPP or market exchange rates does not affect the economy any more than a switch from degrees Celsius to Fahrenheit alters the temperature. But the analogy is wrong. PPP and market exchange rates, unlike Celsius and Fahrenheit, are measuring different things. That should not be too hard an idea for scientists to grasp."

## European Companies Not Ready for Emissions Trading

Only one-third of European companies that will be affected by the new EU Emissions Trading Scheme have yet addressed the issue by creating a budget for compliance, a recent survey found. The new plan, introduced to implement Europe's Kyoto pledges, mandates significant reductions in the emission of greenhouse gases by 2005 and beyond.

The survey by LogicaCMG, a European consulting firm, was aimed at assessing whether corporations were dealing with the Emissions Trading Scheme beyond boardroom discussions and impact studies. They explained, "A good measure of this is the willingness to commit real money in the form of budget allocation." It was found, however, that 91 percent of all companies are currently taking some sort of action to gauge how the regulatory scheme would affect their profits. Approximately two-thirds of those surveyed have created staff positions strictly for monitoring CO2 regulatory issues.

Twenty percent of the surveyed corporations were unsure as to whether they would be emissions sellers or purchasers. Of these, many felt they must first wait for a market to develop before deciding. The report concluded by claiming that "trading plans are not a high priority at present, with the vast majority understandably focused on actions necessary to prepare for full compliance, at least in the short term." The lack of planning may explain why companies are only now realizing the serious effects the trading scheme will have on their profitability.

## Science

### Another New Paper Disputes Surface Temperature Record

Historical climate data that had previously been thought to exhibit a slight warming trend has come under fire in another newly published scientific article (see story in the last issue on the McKittrick and Michaels paper). The United States Historical Climatology Network's (USHCN) temperature database, the most widely used and highly respected database available for regional scale analysis in the U. S., has been



shown to have significant biases toward higher temperatures that have apparently been overlooked in years past. This finding is evident despite the fact that the dataset had been previously adjusted for a variety of temperature discrepancies, ranging from missing temperature data to the transition from mercurial to electronic sensing equipment. Scientists Robert C. Balling Jr. and Shouraseni Sen Roy found in their recent study published in the *Geophysical Research Letters* (May 1, 2004) that the USHCN temperature data is considerably upward biased.

Using spatial entropy to estimate disorder in the pattern of temperature changes across the 1,221 USHCN climate monitoring stations, Balling and Roy found that some "questionable warming signals" existed at some stations. Spatial entropy is a measure of disorder or dissimilarity of the distribution of the USHCN's weather stations.

Continuing, "Stepwise multiple regression analyses were conducted with latitude, latitude squared, longitude, longitude squared, and elevation as...potential independent variables in explaining spatial variance in the temperature change values." They found all of the independent variables to be highly significant with regards to the temperature increase, meaning that some bias must exist within the dataset.

The authors explained their results. "We find that over the (USHCN) network, the spatial entropy levels are significantly and positively related to the observed temperature trends suggesting that stations most unlike their neighbors in terms of temperature change tend to have a higher temperature trend than their neighbors." Balling and Roy added, "One could conclude that the network still contains unproven warming signals possibly related to lingering urbanizations effects."

They concluded the article by explaining, "While the developers of the United States Historical Climatology Network have made substantial efforts to eliminate effects of time of observation biases, changes in measuring equipment, station relocations, and urbanization, our results suggest that the adjusted records continue to contain any number of contaminants that increase the temperature trend (warm) at some stations."

## And Another New Paper Challenges Temperature Data

And yet another new scientific paper finds other methodological problems in commonly accepted temperature data. Temperature readings could be positively influenced by "heat island" effects created by the overwhelming proximity of temperature monitoring stations to industrialized regions.

Researchers Jos De Laat and Ahilleas Maurellis, of the Earth Oriented Science Division at the National Institute for Space Research in the Netherlands, conducted a study using a global industrial activity dataset which reveals the spatial distribution of various levels of industrial activity over the planet. De Laat and Maurellis divided the surface of the earth into industrial and non-industrial sectors and plotted their corresponding temperature data from the years 1979 to 2001. They found that, "Measurements of surface and lower tropospheric temperature changes give a very different picture from climate model predictions and show strong observational evidence that the degree of industrialization is correlated with surface temperature increases as well as lower tropospheric temperature changes." The scientists also added that as the degree of industrialization increases, the temperature increases.

They explained that due to the fact that temperature measurements are most commonly monitored in areas that "are often conducted in the vicinity of human (industrial) activity," there exists an overstatement of warming. De Laat and Maurellis concluded that, "The observed surface temperature changes might be a result of local surface heating processes and not related to radiative greenhouse gas forcing." The article was published in *Geophysical Research Letters* on March 11, 2004. An excellent review of it can be found at [www.co2science.org](http://www.co2science.org).

## Vikings Preferred Mediterranean Climate

The Center for the Study of Carbon Dioxide and Global Change has just produced a good review of the evidence concerning the effects of global cooling on the Viking settlements on Greenland from the eleventh to the fifteenth centuries (available at [www.co2science.org](http://www.co2science.org)).



Recent reports reconstructing environmental conditions in the vicinity of Igaliku Fjord, South Greenland – before, during and after the period of Norse habitations of Greenland – have found that the Vikings flourished during times of warming, and that their eventual fall can be linked to falling temperatures.

Susanne Lassen and colleagues Antoon Kuijpers, Helmar Kunzendorf, Gerd Hoffmann-Wieck, Naja Mikkelsen, and Peter Konradi have published a report appearing in *The Holocene* (Vol. 14, #2, March 1, 2004) specifically discussing Norsemen and the changing Greenland climate. They examined the eventual abandonment of the Viking settlements on Greenland and pointed to an “unprecedented influx of (ice-loaded) East Greenland Current water masses into the innermost parts of Igaliku Fjord” as the culprit.

They concluded that the “stratification of the water column, with Atlantic water masses in its lower reaches, appears to have prevailed throughout the last 3200 years, except for the Medieval Warm Period.” During this period, the scientists believe that living conditions were suitable for settlement and provided an opportunity for the Vikings to prosper, primarily due to the increased nutrients and marine food available.

That was until the Little Ice Age. The combination of a decline of marine food and deteriorating growing and living conditions on land made it difficult to survive. Lassen et al. concluded that, “Climatic and hydrographic changes in the area of the Eastern Settlement were significant in the crucial period when the Norse disappeared.”

A similar study conducted by Karin G. Jensen and also appearing in *The Holocene* (Vol. 14, #2, March 1, 2004) came to similar conclusions. “Life conditions certainly became harsher during the 500 years of Norse colonization,” Jensen claimed. The author added that this climate change “may very likely have hastened the disappearance of the culture.”

The co2science.org review (from their June 2 newsletter) concluded by explaining the present-day effects of this study. “Since the peak warmth of the Medieval Warm Period was caused by something quite apart from elevated

levels of atmospheric CO<sub>2</sub>, or any other greenhouse gas for that matter, there is no reason to not believe that a return engagement of that same factor or group of factors is responsible for the even lesser warmth of today.” We would only add that the Vikings or Normans conquered Sicily from the Arabs between 1060 and 1091. They found the climate much more agreeable.

## Announcements

### **Fraser Institute and Istituto Bruno Leoni Join Cooler Heads Coalition**

The Cooler Heads Coalition has decided to accept member organizations from outside the United States. We are proud to announce our initial two new members – the Fraser Institute in Canada and Istituto Bruno Leoni in Italy. Both organizations are leaders in the global warming debate in their countries.

### **Hill Briefing on June 15 on the Lieberman-McCain Climate Bill**

United for Jobs 2004 will hold an energy roundtable for congressional staff on June 15 from 10 to 11:30 AM in Room 188 of the Senate Russell Office Building. Margo Thorning of the American Council for Capital Formation will discuss the new economic analysis of the Lieberman-McCain Climate Stewardship Act (see lead story in this issue). Other speakers are Karen Kerrigan of the Small Business Survival Committee, John Felmy of the American Petroleum Institute, and Myron Ebell of the Competitive Enterprise Institute. The causes and solutions to rising fuel costs will also be discussed.



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## Politics

### **EIA Finds Cap-and-Trade Bill More Costly than Iraq War**

The watered-down version of the Climate Stewardship Act that Senators Joseph Lieberman (D-Conn.) and John McCain (R-Az.) offered on the Senate floor last fall would still have significant economic costs, according to a new analysis by the Energy Information Administration. The estimated price tag of \$776 billion (or \$290 billion in discounted dollars) is timely, since Sen. McCain recently announced that he would try to get another vote this summer on his bill to cap greenhouse gas emissions.

EIA's estimate of the total costs of S. 139 as originally introduced was a principal factor in Lieberman and McCain's decision to drop the second phase of emissions reductions when they offered their bill on the Senate floor. Their Senate Amendment 2028 was defeated last October 30 by a 43 to 55 vote.

The new analysis by EIA, which is the independent analytical arm of the Department of Energy, was done at the request of Senator Mary Landrieu (D-La.). Landrieu recently said that she was thinking about changing her vote from no to yes if the measure comes to another floor vote.

The EIA analysis concluded that the price to emit a metric ton of carbon equivalent would rise from \$55 in 2010 to \$167 in 2025, compared with a growth from \$79 to \$221 over the same period under S.139 as originally introduced.

The bill would have little effect on the natural gas sector, but would significantly affect the gasoline, electric power and coal sectors. Gasoline prices would rise 9 percent by 2010 and 19 percent by 2025. The price of electricity (cents per Kwh) would rise from the reference case of 6.42 to 6.82 in 2010 and 9.09 in 2025 (compared to 6.98 and 9.82 respectively under S.139).

The coal industry would be badly hit under S. 139, reducing production by 14 percent in 2010 and 78 percent in 2025 compared to the baseline scenario. The impact under SA 2028 is still severe, with production dropping by 8 percent by 2010 and 59 percent by 2025. The price of a short ton of coal is expected to increase from \$24.41 to \$107.96 in 2025, an increase of 366 percent.

These price increases would continue to have a negative effect on the economy. The cumulative GDP loss from 2004-2025 would be \$776 billion, with a peak annual loss of \$76 billion in 2025. When discounted to present value at 7 percent, the cost of the program to the economy to 2025 amounts to \$290 billion. Congress appropriated \$135 billion to pay for the costs of the war in Iraq.

### **Putin Vows to Speed up Ratification, but Does Not Promise to Ratify**

Speaking at the conclusion of the European Union-Russia summit in Moscow on May 20, Russian President Vladimir Putin announced that

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Russia would “speed up ratification of the Kyoto Protocol.” The news came as a surprise given the increasingly strong condemnations of the protocol’s effects on Russia by Putin’s chief economic adviser, Andrei Illarionov, and the report of the Russian Academy of Sciences that found the protocol lacked “scientific substantiation” (see story in Science section below). Putin made clear that there was an element of quid pro quo in his announcement, saying, “The EU has met us half way in talks over the WTO and that cannot but affect positively our position on the Kyoto Protocol.”

However, Russia’s president left himself some wiggle room. He said that Russia continues to have difficulties with the obligations it would have to take on—a clear reference to Illarionov’s disquiet at Russia having to pledge to reduce its emissions while no such restrictions would be imposed on countries like India and China, which Russia views as its rivals.

Putin also pointed out that ratification was the formal responsibility of the Duma (parliament). In April, three Duma committees—for ecology, the economy and international affairs—issued a joint statement that, “Ratification [of the protocol] is inexpedient given the U.S. pullout and the non-participation of many countries with high levels of man-made impact on climatic processes.”

Moreover, the involvement of the Duma raises another interesting issue related to Russia’s internal politics and the perception of Putin’s rule as authoritarian. Vladimir Milov, head of the Institute of Energy Policy, told newspaper *Vremya Nostoy* (May 25), “I am not convinced that the books on this matter have been closed. The president gave quite a transparent hint, saying that this should be decided by parliament. This is generally a good argument for showing that there is in Russia democracy and a parliament, which might not agree with the opinion of the president. Considering the overall negative background in respect to the Kyoto Protocol, there could, in my view, be a serious continuation of the parliament ‘story’.”

It is probably because of these caveats and recent history on the issue that reaction from environmental groups to the announcement was muted. Jennifer Morgan of the World Wildlife Fund said, “I think Putin’s announcement is a major step forward. But we need and urge Putin

to specify a timetable. He should encourage the Duma to do something as soon as possible,” recognizing that he said nothing to indicate what he meant by ‘speeding up’ ratification. (*Reuters*, various reports, May 21-22)

### Gore Boosts “Honest Fiction”

Former Vice President Al Gore and the George Soros-funded Move On campaign have joined forces once again to claim that the fantasy disaster movie “The Day After Tomorrow” makes a significant contribution to the public debate on global warming. In a speech at a Move On-organized event in New York City on May 25, Gore contrasted the “honest fiction” of the movie to the “Bush White House story about global warming.” Apparently, for Gore fictions are honest when they scare people into doing what he considers to be the right thing.

The movie opened worldwide on May 28. It might have been better for Mr. Gore if had waited to read the reviews, which ranged from poor to abysmal.

Richard Roeper, of Ebert and Roeper, had the most pointed words for the movement: “Memo to all the environmental activists who are relying on ‘The Day After Tomorrow’ to serve as a wake-up call about global warming: You might want to see the movie first. It’s really quite silly. Citing ‘The Day After Tomorrow’ as a cautionary tale about global warming makes about as much sense as pointing to ‘Independence Day’ as proof we need to build an interplanetary defense system, because you never know when slimy, super-smart aliens will attack.

“Scientists and climatologists should relax as well. This film isn’t going to send the public into a panic attack any more than ‘Finding Nemo’ convinced us that talking clown fish swim the seas.”

A. O. Scott in the *New York Times* (May 27) called it “a two-hour \$125 million disaster” and went on to write that, “...if the film is meant to prod anxieties about ecological catastrophe and to encourage political action in response, it seems unlikely to succeed. Not because the events it depicts seem implausible, but because they seem like no big deal.”

The *Boston Globe*’s Wesley Morris (May 28) also panned the movie: “There’s hail in Japan,



snow in New Delhi, and, hey, a twister just ate the Hollywood sign! Now that's entertainment—for about 20 minutes. The other hour and 40 feel like the most expensive PowerPoint presentation ever made.”

After calling it “so *very* bad,” David Edelstein in *Slate* considered the potential political impact: “Is it possible that ‘The Day After Tomorrow’ is a plot to make environmental activists look as wacko as anti-environmentalists always claim they are? Al Gore stepped right into this one, didn't he?”

## Economics

### **Copenhagen Consensus Ranks Climate Change Least of World's Concerns**

The “Copenhagen Consensus” of some of the world's leading economists has decided that climate change ranks at the bottom of ten great global challenges facing mankind and that the costs of several proposals to limit greenhouse emissions would outweigh the benefits. The Copenhagen Consensus was organized by Danish statistician Bjorn Lomborg, author of *The Skeptical Environmentalist*.

The project was described on its web site as follows: “The goal of the Copenhagen Consensus project was to set priorities among a series of proposals for confronting ten great global challenges. These challenges, selected from a wider set of issues identified by the United Nations, are: civil conflicts; climate change; communicable diseases; education; financial stability; governance; hunger and malnutrition; migration; trade reform; and water and sanitation.

“A panel of economic experts, comprising eight of the world's most distinguished economists, was invited to consider these issues. The members were Jagdish Bhagwati of Columbia University, Robert Fogel of the University of Chicago (Nobel laureate), Bruno Frey of the University of Zurich, Justin Yifu Lin of Peking University, Douglass North of Washington University in St Louis (Nobel laureate), Thomas Schelling of the University of Maryland, Vernon Smith of George Mason University (Nobel laureate), and Nancy Stokey of the University of Chicago.”

On climate change, the panel considered a paper by William R. Cline of the Center for Global Development and of the Institute for International Economics, which suggested that the benefits of action now on climate change would outweigh the costs by \$166 trillion to \$94 trillion. However, the only way the paper was able to achieve such a benefit to cost ratio was by using an unusually low discount rate for the benefits of 1.5 percent. The panel rejected this economically nonsensical assumption.

In fact, the panel ranked all three suggestions for action—an “optimal carbon tax,” a “value-at-risk carbon tax”, and the Kyoto Protocol—as bad investments. The final report summarized:

“The panel looked at three proposals, including the Kyoto Protocol, for dealing with climate change by reducing emissions of carbon. The expert panel regarded all three proposals as having costs that were likely to exceed the benefits. The panel recognized that global warming must be addressed, but agreed that approaches based on too abrupt a shift toward lower emissions of carbon are needlessly expensive.”

The Consensus ranked four projects as representing good value for money. They were: new programs to prevent the spread of HIV/AIDS; reducing the prevalence of iron-deficiency anemia by means of food supplements; reducing multilateral and unilateral tariffs and non-tariff trade barriers, together with the elimination of agricultural subsidies; and the control and treatment of malaria.

### **Japan Struggles with Kyoto Obligations**

*Yomiuri Shimbun* reported on May 17 that, “According to an estimate by the Economy, Trade and Industry Ministry, the amount of carbon dioxide emissions produced as a result of Japan's consumption of energy in fiscal 2010 will increase by 5 percent over fiscal 1990 levels, despite anticipated progress in the nation's campaign against global warming.”

The figures came from a report submitted to the Advisory Committee on Energy and Natural Resources, an advisory body to the economy, trade and industry minister.



The newspaper continued: "The latest report on energy supply-and-demand projections through fiscal 2030 was made taking into account the nation's recent demographic, economic, and social changes, as well as potential technological advancements. It revised projections made in a previous report, which said the country would see no growth in CO2 emissions in fiscal 2010.

"According to the latest report, Japan's energy demand will reach its peak in fiscal 2021, after which it will decline. CO2 emissions are predicted to begin decreasing in the late 2010s. The report attributes all this to a projected reduction in the nation's population and technological and other advancements in industry.

"But in fiscal 2010, the CO2 figure is projected to still be rising, meaning that it will exceed the 6 percent reduction promised by Japan under the Kyoto Protocol. The projections state that the amount of CO2 emissions from the civilian and transportation sectors will increase 20 percent from fiscal 1990 levels, canceling out the predicted 7 percent reduction in CO2 emissions from the industrial sector.

"Recent changes in nuclear power plant construction plans are also bound to adversely affect the campaign against global warming. Initially, the government said it expected electric power companies to build 10 to 13 new plants by the end of fiscal 2010. However, it later lowered that number to four."

## Science

### **New Paper Disputes Surface Temperature Record**

In a new article published in *Climate Research*, Ross McKittrick of the University of Guelph and Patrick J. Michaels of the University of Virginia have found, through statistical analysis, that the Intergovernmental Panel on Climate Change's temperature data contains a net warming bias due to socioeconomic effects that were not removed properly from the IPCC's records.

In the article, entitled "A test of correlations for extraneous signals in gridded surface temperature data," McKittrick and Michaels obtained monthly surface temperature records

from 1979 to 2000 from 218 individual stations in 93 countries. They regressed this temperature data with regards to local climate, as well as indicators of local economic activity (such as income, GDP growth rates, and coal use) and data quality. The authors found that the spatial pattern of trends is shown to be significantly correlated with non-climatic factors such as economic activity and various sociopolitical effects. The process was repeated on the corresponding IPCC gridded data. Despite the IPCC's attempt to remove these non-climatic variables, McKittrick and Michaels found that similar correlations do exist and that the IPCC's data was biased in favor of global warming.

The article explained that, "[The apparent climate biases] reflect the influence of many things, including a complex blend of local economic and social factors. Some of these exert an indirect influence on local temperatures but have nothing to do with the global climate, while others have nothing to do with temperature at all but instead affect data quality control." Controlling for the non-climatic variables would result in a "noticeably lower" temperature change, McKittrick and Michaels observed.

Moreover, "Attempts to identify the magnitude of a global 'greenhouse' climate signal on surface data without properly removing the extraneous biases risks exaggerating the perceived influence of atmospheric CO<sub>2</sub> levels."

The article concluded, "The results of this study support the hypothesis that published temperature data are contaminated with non-climatic influences that add up to a net warming bias, and that efforts should be made to properly quantify these effects."

### **Malaria Experts Dispute Link to Global Warming**

*The Lancet's* June issue contains a letter from eight leading authorities that criticizes two articles published in *The Lancet* last December that claim there is a strong link between the spread of malaria and increasing temperatures. The lead author of the letter is Professor Paul Reiter of the Pasteur Institute in Paris. Dr. Reiter gave a Cooler Heads Coalition briefing on the issue on May 3 on Capitol Hill.



The letter, titled "Global Warming and Malaria: A Call for Accuracy", takes issue with a model created by Frank C. Tanser that links the spread of malaria to global warming and an accompanying commentary by Simon Hales and Alistair Woodward. These two articles received much publicity at the ninth Conference of the Parties to the UNFCCC at Milan in December.

In addition to several specific criticisms, the letter argues that these errors could have been avoided if the Tanser, Hales, and Woodward had been familiar with the voluminous literature on the subject. The letter concludes, "We urge those involved to pay closer attention to the complexities of this challenging subject."

The other scientists who authored the critique are: Christopher J. Thomas of the University of Durham; Peter M. Atkinson of the University of Southampton; Simon I. Hay, a Wellcome Trust research fellow; Sarah E. Randolph of Oxford University; David J. Rogers of Oxford University; G. Dennis Shanks of the U.S. Army Center for Health Promotion and Preventive Medicine; Robert W. Snow of Oxford University; and Andrew Spielman of the Harvard University School of Public Health.

### Russian Academy Says Kyoto "Lacks Scientific Substantiation"

On May 14, shortly before President Putin's announcement (see Politics section above), the Russian Academy of Sciences issued a report that disputed the scientific basis of the Kyoto Protocol and argued that it would be economically harmful to Russia. The summary of scientific opinion noted the "absence of scientific substantiation of the Kyoto Protocol and its low effectiveness for reducing the concentration of greenhouse gases in the atmosphere, as is envisaged by the UN Framework Convention on Climate Change," and stated, "The requirements of the Kyoto Protocol are of a discriminatory character, and its mechanisms involve economic risks for Russia."

Yuri Izrael, the distinguished climatologist who authored the summary, which was presented at a general meeting of the Academy, said, "The protocol is ineffective for attaining the goal set by it—the stabilization of the ecological situation and the world economy." At the same time, *Interfax* news agency reported that the Academy

is still formulating its stance on the protocol, with the Academy President Yuri Osipov saying, "Scientists have studied every aspect of this problem and will formulate their stance in the future, taking into account all the negative and positive consequences the protocol's possible ratification may have for Russia."

Professor Oleg Sorokhtin from the RAS's Institute of Oceanography was quoted by TASS as saying that, "The Kyoto Protocol is not needed at all, as even considerable emissions of carbon dioxide in the atmosphere have almost no effect on the Earth's temperature but contribute to agricultural productivity and to the restoration of forest resources."

*Nature* magazine (May 27) dismissed this breach in the so-called scientific consensus on global warming by saying that "science in Russia...has been hijacked by the politics and economics of energy investment and emission reductions," but stopped short of calling for Rajendra Pachauri, chairman of the IPCC, to discipline Izrael, a vice-chairman of the IPCC. (*TASS*, May 18, *Interfax*, May 19).

### Etc.

#### Generic News

Roger Pielke, Jr., of the University of Colorado posted the following generic news story about global warming on his Prometheus weblog on May 17:

"Instructions to editor: Please repeat the below every 3-4 weeks ad infinitum.

"This week the journal [Science/Nature] published a study by a team of scientists led by a [university/government lab/international group] [challenging/confirming] that the earth is warming. The new study looks at [temperature/sea level/the arctic] and finds evidence of trends that [support/challenge] the findings of the Intergovernmental Panel on Climate Change (IPCC). Scientist [A, B, C], a [participant in, reviewer of] the study observed that the study, ["should bring to a close debate over global warming," "provides irrefutable evidence that global warming is [real/overstated] today," "demonstrates the value of climate science"]. Scientist [D, E, F], who has long been [critical/supportive] of the theory of global



warming rebutted that the study, ["underscores that changes in [temperature/sea level/the arctic] will likely be [modest/significant]," "ignores considerable literature inconvenient to their central hypothesis," "commits a basic mistake"]. Scientist [A, B, C or D, E, F] has been criticized by [advocacy groups, reporters, scientific colleagues] for receiving funding from [industry groups, conservative think tanks]. It is unclear what the study means for U.S. participation in the Kyoto Protocol, which the Bush Administration has refused to participate in. All agreed that more research is necessary."

We are glad to report editors are following his advice. Pielke's web site may be found at: <http://sciencepolicy.colorado.edu/prometheus/>.

### **Announcement**

The Cooler Heads Coalition's web site, GlobalWarming.org, will host a live web chat with Dr. James J. O'Brien on "The science (or lack thereof) in The Day After Tomorrow" on Thursday, June 3, from 2 to 3 PM ET. Dr. O'Brien is the Robert O. Lawton Distinguished Professor of Oceanography and Meteorology at Florida State University and the state climatologist of Florida. The internet address is [www.globalwarming.org](http://www.globalwarming.org). Questions may be sent to [chat@globalwarming.org](mailto:chat@globalwarming.org).

#### **THE COOLER HEADS COALITION**

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Americans for Tax Reform  
American Legislative Exchange Council  
American Policy Center  
Association of Concerned Taxpayers  
Center for Security Policy  
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