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Obama should take climate plan to Congress

Costly measure demands careful debate, not regulatory fiat

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President Barack Obama laid out an ambitious plan this week for his Environmental Protection Agency to force reductions in carbon dioxide emissions to combat what he called “the disastrous effects of climate change.” But remaking America’s electricity, coal and vehicle fuel markets is a task too complicated and too potentially expensive to be left solely to regulatory fiat.

“In my State of the Union address, I urged Congress to come up with a bipartisan, market-based solution to climate change,” said the president. “But I don’t have much patience for anyone who denies that this challenge is real.”

The president’s impatience with the democratic process is unbecoming to an issue that demands the careful weighing of costs and benefits. Industries and jobs are at stake in addition to melting ice caps and rising sea levels. Indeed, Congress has consistently rejected a comprehensive anti-carbon energy plan — even when the president had a filibuster-proof, Democratic Senate majority in his first term.

The president must build public consensus for new legislation if he is to justify the price tag of his regulatory proposals. That cost could be significant.

According to an analysis by Cato Institute climatologist Patrick Michaels, the president’s endorsement of an 80 percent emissions reduction by 2050 would slow future warming by just by just 0.07 of one degree, an insignificant amount. Yet the cost of virtually everything Americans buy would go up, from their electricity to their appliances to their cars. By making coal, an abundant U.S. resource and the source of 65 percent of Michigan’s electricity, too expensive to use because of increased regulatory requirements, Obama’s plan would put enormous upward price pressure on the already volatile natural gas market.

“Natural gas is not only a critical source of electricity generation; natural gas and other gases extracted from natural gas provide a feedstock for fertilizers, chemicals and pharmaceuticals, waste treatment, food processing, fueling industrial boilers, and much more,” explains Heritage Foundation scholars Nicolas Loris, David Kreutzer, and Kevin Dayaratna. “From food processing to waste treatment — the entire cycle of life will cost more.”

In Europe, a model for the president’s anti-carbon policies, electricity prices are 25 percent higher than in the U.S. “Manufacturers are looking at U.S. energy prices with envy, and if they can, they are making investments in North America,” European business analyst Corin Taylor tells the New York Times. The president’s plan could imperil that competitive advantage.

In his remarks, President Obama said that he would derive his authority to remake America's electricity landscape via the federal Clean Air Act, even though Congress has never voted for the act to cover carbon dioxide. Ironically, the president praised the act's last revision in 1990 to address the impact of utility emissions on acid rain. Yet, that controversial and costly update came not from the EPA but from legislation drafted by Rep. John Dingell, D-Dearborn, and adopted only after 10 years of scientific study and congressional debate.

"Since 2006, no country on earth has reduced its total carbon pollution by as much as the U.S. So it's a good start," said President Obama. But that reduction is largely the result of increasing reliance on natural gas.

Meanwhile, even without the president's climate plan, the federal government reports that CO₂ emissions are down 4 percent in the last year because of the market-driven switch to cheap natural gas. Emissions are now 12 percent lower than in 2005, well on the way to the benchmark Obama set of getting emissions to 17 percent below 2005 levels by 2020.

America is making healthy progress on carbon dioxide emissions.

If America is to pursue a more aggressive path, it should at least have congressional consensus.