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Koch-Funded Climate Contrarians Make Mischief on Capitol Hill

Robert P. Murphy, an economist with the Koch-funded Institute for Energy Research, essentially told a Senate committee yesterday that carbon emissions are harmless.

By: Elliot Negin, *Director of News & Commentary, Union of Concerned Scientists* – July 19, 2013

With Congress about to head out of town for its summer recess, a Washington-based think tank is ramping up a campaign to foil any attempts to institute a tax on carbon emissions,*The Hill*, a Washington political trade publication, reported this week.
"We're hoping to put the final nail in the coffin of the carbon tax," said Benjamin Cole, the communications director for the Institute for Energy Research (IER) and its advocacy arm, the American Energy Alliance (AEA). "The proposal should be dead on arrival by the time lawmakers come back from August recess."

IER's campaign includes a survey of American attitudes about such a tax and a $120,000 to $150,000 radio ad buy targeting a handful of House members who, according to Cole, "are soft on the carbon tax issue."

The Hill story, however, merely described IER as a "conservative" group. That doesn't explain why a think tank named the Institute for Energy Research is so dead set against a carbon tax, given the initiative would certainly help some energy technologies, especially wind, solar and other renewables.
So why is IER so down on cutting carbon?

Because it's backed by the fossil fuel industry, that's why.

The Koch Connection
Over the last decade or so, IER and AEA have received hundreds of thousands of dollars from ExxonMobil; the American Petroleum Institute (API), the oil and gas industry's trade association; the Center to Protect Patient Rights, a secretive nonprofit group linked to Charles Koch and his brother David, the billionaire owners of the coal, oil and gas behemoth Koch Industries; and the Charles Koch-controlled Claude R. Lambe Charitable Foundation, one of a handful of Koch family funds.

Top IER-AEA officials also are well-entrenched members of the Koch brothers' climate change contrarian network. IER and AEA President Thomas Pyle, for example, is a former lobbyist for Koch Industries and the National Petrochemical and Refiners Association. IER and AEA Director of Regulatory and State Affairs Daniel Simmons, meanwhile, worked for the API-, Exxon-Mobil- and Koch-funded American Legislative Exchange Council (ALEC), a stealthy lobby group that has been trying to repeal state standards requiring electric utilities to use more renewable energy. Before his stint as director of ALEC's Natural Resources Task Force, Simmons was a research fellow at the Koch-founded and funded Mercatus Center at George Mason University.

Not to be outdone, IER founder and CEO Robert L. Bradley, Jr. -- a former public policy analysis director at the now-defunct Enron Corp. -- is an adjunct scholar at the Koch-founded and funded Cato Institute and the API- and Koch-funded Competitive Enterprise Institute. He also has been a featured speaker at the API- and Koch-funded Heartland Institute's annual climate science-bashing conference, and is a member of the academic review committee at the Koch-funded Institute for Humane Studies at George Mason. The Institute for Humane Studies' chairman, I should add, is Charles Koch.

The Social Cost of Carbon

IER is doing more than trying to kill a carbon tax in its crib. Just yesterday, IER Senior Economist Robert P. Murphy testified on the "social cost of carbon" at a hearing on Capitol Hill. That's the official government estimate of the financial damage caused by carbon pollution, and it's important, as my colleague Rachel Cleetus pointed out in a recent blog, because it enables federal agencies to include the societal value of cutting carbon emissions, either directly or indirectly, when conducting traditional cost-benefit analyses of regulations.

The Obama administration recently boosted the monetary costs of carbon pollution to better reflect reality. According to Cleetus, a senior climate economist at the Union of Concerned Scientists: "The increase in the new social cost of carbon estimate is broadly consistent with what we're seeing in the scientific and economic literature on the growing risks and costs of climate change, and in fact is very likely an underestimate of the true cost of our carbon emissions.

"The increase is also consistent with the costs of climate change that we are already experiencing, such as those associated with sea level rise and rising temperatures," she continued. "Climate change is making coastal flooding, extreme heat, extreme precipitation, and other weather events worse, while we have more people and property in harm's way."

So what did Murphy tell the Senate Committee on Environment and Public Works?

Among other things, he said the notion of a social cost of carbon is a "dubious" concept. He also criticized the models used in arriving at the cost estimate -- models that Cleetus says don't even begin to "reflect just how devastating unchecked climate change will be." Finally, if the Obama administration had followed Office of Management and Budget guidance, Murphy asserted, "...the official estimates of the current [social cost of carbon] would probably be close to zero, or possibly even negative -- a situation meaning that, within this context, the federal government should be subsidizing coal-fired power plants because their activities confer external benefits on humanity."

Do I really need to translate that? Remarkably, Murphy believes that if the government were following proper procedures, it would come to the conclusion that carbon emissions are *harmless*, so it should subsidize coal plants -- which it has been doing for more than 100 years--because of their societal value.

That's absurd. As Cleetus mentioned in her blog, numerous studies describe in great detail the threat climate change poses to public health and the economy, and coal-fired power plants are the biggest source of U.S. carbon emissions, accounting for roughly a third. Whatever external benefits they may offer are far outweighed by their external costs, especially since carbon-free renewables can eventually replace them.

IER Says Let the Free Market Do Its Magic

IER's website features an essay that acknowledges that "climate change and energy security are issues of great concern for many Americans," but states unequivocally that policies to reduce carbon emissions "would be extremely expensive, consume resources that could be directed to immediate and profound problems, and have limited potential to affect climate...." Any sense of urgency to address climate change, the essay continues, has been fueled by media hype, profit-

seeking renewable-energy and carbon-pollution-control companies, scientists on the research-funding gravy train, foreign nations plotting to undermine U.S. economic strength, and opportunistic politicians.
I kid you not.

I emailed IER's communication director, Benjamin Cole, yesterday morning to find out if his organization, given its opposition to a carbon tax, would endorse any government action on climate change.

His response: "Our approach would be to allow free markets and American consumers to balance most effectively the demands of America's energy needs with environmental concerns."

I asked him to elaborate: "Does that mean you are against all pollution regulations? You would want the free market to take care of environmental pollution?"

To which he responded: "The Institute for Energy Research has not endorsed any proposal that addresses climate change. As a 501c3 research organization, we provide analysis concerning the various proposals and their potential economic and environmental impacts. But we do not advocate for any specific legislation."

For some reason, I'm not surprised. Why advocate for specific legislation when the free market will take care of it? Isn't that just what Charles Koch would say?