

CLIMATE PROGRESS

A PROJECT OF CENTER FOR AMERICAN PROGRESS ACTION FUND

CBS's Declan McCullagh promotes another fossil-fuel-funded, falsehood-filled CEI attack on clean energy reform

September 16, 2009

You'd think the serious media (and politicians) would treat with some skepticism the disinformation issued regularly by the Competitive Enterprise Institute, which runs [fossil-fuel-funded, falsehood-filled ad campaigns aimed at destroying the climate for centuries](#). But as Brad Johnson shows in this [Wonk Room](#) piece, the pathological disinformers of CEI are still treated as if they had the credibility of, say, a CSI pathologist.



According to Declan McCullagh, a libertarian blogger who works for CBS Interactive, secret Obama administration documents reveal that the cost of clean energy cap-and-trade legislation would be \$1,761 per household — despite official estimates from the Environmental Protection Agency, the Congressional Budget Office, and the Energy Information Administration of about a postage stamp a day [see summaries and links below]. Based on Treasury Department documents acquired by the Competitive Enterprise Institute (CEI), McCullagh claims that “a cap and trade law would cost American taxpayers up to \$200 billion a year, the equivalent of [hiking personal income taxes by about 15 percent](#)”:

DRUDGE REPORT

Fuel-economy rules set 35.5 mpg standard for 2016 car models...

Ozone hole 'smaller' in 2009 than 2008...

Obama Admin: Cap And Trade Could Cost Families \$1,761 A Year...

The Obama administration has privately concluded that a cap and trade law would cost American taxpayers up to \$200 billion a year, the equivalent of hiking personal income taxes by about 15 percent. A previously unreleased analysis prepared by the U.S. Department of Treasury says the total in new taxes would be between \$100 billion to \$200 billion a year. **At the upper end of the administration's estimate, the cost per American household would be an extra \$1,761 a year.**

This is pure twaddle. McCullagh is confabulating a “disclosure” out of whole cloth:

Obama's Plan Would Have Established Tax Cuts For Working Families. In his State of the Union address, President Obama proposed a [green economy plan](#) that would create a \$100 to \$200 billion carbon market and use the money raised from polluters for [middle class tax cuts](#).

Congress Did Not Adopt President Obama's Plan. The Waxman-Markey American Clean Energy and Security Act (ACES) is [comprehensive clean energy legislation](#), coupling the carbon market with national renewable energy and energy efficiency standards. Unlike Obama's plan, the ACES Act would establish a more limited carbon market, distribute most permits for free to polluting industry, with provisions that compel utilities to pass along their value to ratepayers, and provide further assistance for low-income consumers. One can't use an analysis of Obama's proposal to calculate the economic benefits of the legislation now being considered.

The American Clean Energy and Security Act Builds A Clean Economy For A Postage Stamp

A Day. The EPA estimates a net cost of about [\\$100 per household](#) per year, which would be fully offset for lower-income consumers. The Congressional Budget Office — which did not consider the energy efficiency measures or the cost of inaction — determined “that the net annual economywide cost of the cap-and-trade program in 2020 would be \$22 billion—or about [\\$175 per household](#).”

The American Clean Energy and Security Act Cuts Electricity Bills And Dependence On Foreign Oil. The EPA has found that Waxman-Markey [cuts household electricity bills](#) by seven percent by 2020. The EIA found the legislation would [save Americans \\$5,600 per household](#) in reduced dependence on foreign oil.

To come up with false claim that Obama's plan was “the equivalent of hiking personal income taxes by about 15 percent,” McCullagh ignored where the money would come from — polluting industries with billions of dollars in annual profits — and where the money would go — tax cuts for working people.

In reality, President Obama's proposal would have amounted to tax cuts worth hundreds of dollars for working families, with the added benefits of greatly reduced dependence on toxic oil and coal, billions of dollars of investment in clean energy, and the avoidance of catastrophic climate change.

McCullagh argues that his so-called “disclosures” will “probably not aid the political prospects of the Democrats' cap and trade bill,” and quotes CEI's Chris Horner: “It's nice to see they're not spinning each other behind closed doors.” Horner, who filed the FOIA request, runs [global warming denial blogs](#) for CEI and the [National Review](#). In June, McCullagh [breathlessly promoted](#) CEI's other “scandal” of a global warming denier economist who works for the EPA.

Opponents of clean energy reform are inflating the costs of action by 1,000 percent, while minimizing that the threat of climate change and our dependence on fossil fuels. Ironically, these lies may actually aid the political prospects of action, as the American public grow more disgusted with the [unethical tactics of polluters](#) and their right-wing allies.

Update: In a phone interview with the Wonk Room, CNet managing editor [Jon Skillings](#) explained that on the CNet site, “reporters self-edit” and “are generally expected to be their own fact-checkers.” Promising to follow up with McCullagh, he concluded, “We take our ethics very seriously.”

[JR: CEI is a master of pushing long-debunked denier talking points. You can read all about Horner at [ExxonSecrets.org](#). He is a master of pushing long-debunked denier talking points, stating as recently as [April 2005](#), “the atmosphere inarguably shows no appreciable warming in the 25-year history of satellite and radiosonde measurements (initiated in response to the cooling panic).” Amazing how “inarguable” denier claims turn out not only to be arguable but [scientifically disapprovable](#) — yet CEI still keeps the long-debunked statement on its website. You can read more debunking at NRDC's [Switchboard](#). In a [correction](#) from Politico's Ben Smith quotes one expert: “Can you say 'irrelevant analysis'? The rest of this post is a response from Clean Energy Works.]

There has been a lot of traffic today surrounding an erroneous and completely misleading CBS News report alleging that the administration “privately” concluded that pending Congressional clean energy and climate legislation would cost the average family more than \$1,700 per year. I cannot underscore enough how completely incorrect this is. A few points to consider:

- **What this Treasury document actually analyzes:** Potential revenues from a hypothetical climate plan that auctions 100 percent of the pollution permits and returns none of the proceeds to consumers or to another public purpose. As a colleague from the Environmental Defense Fund pointed out, the claims repeated by CBS News would only be true if all revenues from a climate plan were simply piled up on the White House lawn and

set on fire.

- **What this Treasury document doesn't analyze:** Anything even vaguely resembling the American Clean Energy & Security Act passed by the House or any live clean energy and climate proposals now under discussion in the Senate. Applying this so-called analysis to the climate plans now being debated in Congress would be like applying an analysis of a hypothetical single payer health care bill to the health reform plan now being devised by the Senate Finance Committee.
- **Consider the messenger—Big Oil:** This story is being pushed by the Competitive Enterprise Institute, the organization at the center of global warming denial machine. CEI has received funding from ExxonMobil, the American Petroleum Institute, and foundations controlled by the Koch brothers. You may recognize Koch Industries and its founders as the money behind Americans for Prosperity, FreedomWorks, and much of the right-wing attack machine that continues to attack clean energy legislation, health care reform, and the rest of President Obama's agenda. Another group pushing this story, the American Energy Alliance, is also a front group for Big Oil.
- **John Boehner's Fuzzy Math Machine:** Opponents of climate change legislation are now firing up the fuzzy math machine again, dividing a figure representing potential revenues from a hypothetical climate plan by the number of people in the country and concluding that climate legislation will mean high costs for households. Sound familiar? That's how House Minority Leader John Boehner arrived at his roundly dismissed \$3,100 figure. That same \$3,100 figure that Boehner and other Republicans continue to cite, despite being repeatedly told it is incorrect and asked to stop using by the very MIT professor who authored the study they purport to cite.

Fortunately, instead of relying on misleading analyses of non-existent proposals pushed by Big Oil and its allies in Congress, we can rely on **independent, non-partisan** analyses of **actual climate proposals** before the Congress. All of these actual analyses demonstrate that comprehensive clean energy and climate legislation is affordable. And even more wide-ranging examinations that also consider the benefits of potential legislation show that **the potential benefits of clean energy legislation far outweigh the modest costs**. Here's a summary from Progressive Media USA outlining what these independent, non-partisan analyses have concluded:

Recently, the *Wall Street Journal* reported that the benefits of Waxman-Markey greatly outweigh the costs. The *Journal* highlights a **new cost-benefit analysis of the House bill by the New York University Law School's Institute for Policy Integrity.**

- The [NYU study](#) finds that finds that the **benefits outweigh the costs by 9:1**.
- Based on a middle-of-the road estimate, potential **benefits add up to about \$1.5 trillion** over the next 40 years.

Conservative attacks on the high costs of a clean energy bill are off-base. Analyses of Waxman-Markey consistently show modest costs.

- The Congressional Budget Office estimates that on average, consumers will face the cost of about the **same as a postage stamp** per day.
- The Environmental Protection Agency estimates even lower **average costs** between \$98 and \$140 from 2010 through 2050.
- The [Energy Information Administration](#) predicts families could spend up to \$114 annually by 2020, or less than \$10 per month per household.
- **Low-income consumers would receive \$40 per year** in 2020.

As the *Wall Street Journal* points out, the NYU study “doesn't include extra benefits—cleaner air from a cleaned-up power sector.” Indeed, the analyses above also ignore benefits of climate change

legislation, such as savings from reduced energy demand and the creation of clean energy jobs.

- The American Council for an Energy-Efficient Economy projects that [Americans could save](#) \$750 per household by 2020 and \$3,900 by 2030.
- The [Alliance to Save Energy](#) estimates that energy efficiency measures alone can create over **100,000 jobs over the next two years** and reduce U.S. carbon dioxide emissions by nearly 200 million metro tons.
- Investing \$150 billion in [clean energy](#) would create around **1.7 million new jobs**, which is why the clean energy bill being debated has the [support of labor unions](#).
- A [University of Massachusetts study](#) found that investing in clean energy projects creates **three-to-four times more jobs** than the same expenditure on the oil industry.

This entry was posted on Wednesday, September 16th, 2009 at 3:44 pm and is filed under [Climate Progress](#). You can follow any responses to this entry through the [RSS 2.0](#) feed. You can skip to the end and leave a response. Pinging is currently not allowed.

9 Responses to “CBS’s Declan McCullagh promotes another fossil-fuel-funded, falsehood-filled CEI attack on clean energy reform”

1. *From Peru* says:

[September 16, 2009 at 5:07 pm](#)

Cap and Trade could cost US families 1,761\$ a year.....

Austounding! Terryfing!

(jaws music) tan-tan....taaan-taaann...TATATA -TATAAA.....

How much HUNDREDS of US \$ the Iraq War costed, and still costs to the american families?

(ta-ta..)

Plus Afghanistan?

(taa...taa)

Plus economic collapse brought by Bush amministration?

(taaa-taaa...)

Plus the costs of a growing terrorist treat (I wrote about that in a previous post about the Islamic terrorist legacy of Reps. Einsenhouer and Reagan..)

(TA-TA-TA-TA-TA-TAAAAAA.....)

Summed, maybe OVER 1000\$?

Can anyone do the sum?

2. *Brewster* says:

[September 16, 2009 at 5:23 pm](#)

“the atmosphere inarguably shows no appreciable warming in the 25-year history of satellite and radiosonde measurements

Perhaps the meaning of ‘inarguable’ is that if you did argue, you’d lose.

If my side was going to lose the argument, I'd certainly consider it inarguable.

3. *MarkB* says:

[September 16, 2009 at 5:27 pm](#)

Complete and thorough debunking. Thanks. The only thing to add is that the CBO estimate of \$175 is the average annual household cost. Lower-income households actually get a small net benefit.

“households in the lowest income quintile would see an average net benefit of about \$40 in 2020”

2nd lowest quintile has a net annual household cost of \$40, so the bottom 40% of households see negligible changes (either a slight benefit or slight cost). This is a detail worth mentioning because low-income households, who often live from paycheck to paycheck, might find \$175 to be somewhat costly, even if it's only 1% of their income.

I'm frankly sick of the lies coming from global warming deniers and delayers. While they ignore the preponderance of scientific evidence on global warming and erroneously call the scientific community “alarmists”, their dishonest attempts to scare Americans with economic catastrophe and stories of huge electric bills if we commit to a gradual reduction of emissions is by definition “alarmist”. They certainly have the mainstream media helping them spread these lies.

4. *Jeff Green* says:

[September 16, 2009 at 6:53 pm](#)

I have been on the WUWT website talking to deniers. Its a hoot. All they have is their own stories and no data.

5. *Dan K.* says:

[September 16, 2009 at 9:01 pm](#)

Ha! I was just going to send this to you...

Go NYU, glad I went there. They do real work and analysis.

6. *Geoff Sherington* says:

[September 16, 2009 at 9:45 pm](#)

When the taxes are collected, they will be spent. Has anyone calculated how they will be spent without consuming electricity, gas and producing GHG? In an Australian study, the cost of preventing a ton of CO2 getting into the air was \$1080 for wind power. It was \$22 for nuclear. Nuclear is about the only way that the imposts can be used to lower CO2 emissions. Any other way has very little effect.

Has anyone seen a list in intended spending of the imposts? I have not. To reveal it would be to reveal the fraud.

7. *ecostew* says:

[September 16, 2009 at 9:46 pm](#)

Not good news for dirty coal: FOR IMMEDIATE RELEASE

September 16, 2009

EPA Announces it Will Reconsider National Smog Standards

WASHINGTON – U.S. Environmental Protection Agency Administrator Lisa P. Jackson today announced the agency would reconsider the 2008 national smog standards to ensure they are scientifically sound and protective of human health. Smog, which is also known as ground level ozone, has been linked to asthma and other respiratory illnesses.

“This is one of the most important protection measures we can take to safeguard our health and our environment. Smog in the air we breathe can cause difficulty breathing and aggravate asthma, especially in children,” said EPA Administrator Lisa P. Jackson. “Reconsidering these standards and ensuring acceptable levels of ground-level ozone could cut health care costs and make our cities healthier, safer places to live, work and play.”

The reconsideration announced today covers both the primary and secondary ozone standards. EPA sets primary air quality standards to protect public health, including the health of sensitive groups, such as children and people with asthma. The secondary standard is set to protect public welfare and the environment, including protection against visibility impairment, damage to animals, crops, vegetation, and buildings. The Agency will propose any revisions to the ozone standards by December 2009 and will issue a final decision by August 2010.

EPA will conduct a thorough review of the science that guided the 2008 decision, including more than 1,700 scientific studies and any public comments from that rulemaking process. The Agency will also review the findings of EPA's independent Clean Air Scientific Advisory Committee, which recommended stronger smog standards.

EPA will move quickly to implement any new standards that might result from the reconsideration. To reduce the workload for states during the interim period of reconsideration, the agency will propose to stay the 2008 standards for the purpose of attainment and nonattainment area designations. EPA will work with states, local governments and tribes to ensure that air quality is protected during that time.

Ground-level ozone forms when emissions from industrial facilities, power plants, landfills and motor vehicles react in the presence of sunlight. Scientific studies have linked ozone exposure to respiratory health problems ranging from decreased lung function and aggravated asthma to increased emergency department visits, hospital admissions, and even premature death. Seasonal ozone exposure has also been linked to adverse effects on sensitive vegetation, forests and ecosystems.

More information: <http://www.epa.gov/groundlevelozone>

-
8. *David B. Benson* says:
[September 16, 2009 at 9:49 pm](#)

ecostew (7) — Goody. 😊

-
9. *ecostew* says:
[September 16, 2009 at 9:50 pm](#)

And more bad new for dirty coal:

FOR IMMEDIATE RELEASE

Sept. 16, 2009

EPA Releases Reports on Dam Integrity Assessments at 17 Coal Ash Impoundments

WASHINGTON – As part of the U.S. Environmental Protection Agency's ongoing national effort to assess the management of coal combustion residuals, EPA is releasing the final contractor reports assessing the structural integrity of 17 impoundments and similar management units containing coal combustion residuals, commonly referred to as coal ash, at nine facilities. These 17 impoundments have a "high" or "significant" hazard potential rating. A high hazard potential rating is not related to the stability of those impoundments but to the potential for harm should the impoundment fail. A significant hazard potential rating means impoundment failure can cause economic loss, environmental damage, or damage to infrastructure.

The assessments have rated the structural integrity of seven impoundments as "satisfactory," nine units as "fair," and one unit as "poor." None of the units assessed received an "unsatisfactory" rating. According to dam safety experts, only impoundments rated as unsatisfactory pose immediate safety threats.

The assessment reports have been completed by firms, under contract to EPA, who are experts in the field of dam integrity and reflect the best professional judgment of those engineering firms. A draft of these reports has been reviewed by the facilities and the states for factual accuracy; their comments on the draft reports are also posted on EPA's website. EPA continues to review the reports and technical recommendations, and is working diligently with the facilities to ensure that the recommendations are implemented in a timely manner.

EPA has provided a copy of the final report to each facility and has requested that the facility implement the recommendations contained in the reports and provide its plans for taking action. Should facilities fail to take sufficient measures, EPA will take additional action, if the circumstances warrant, and will be devoting special attention to those facilities receiving a poor rating.

These reports include complex engineering evaluations and use terms which may be unfamiliar to the general public. Impoundment ratings noted in the reports should be taken in the proper context, since a structurally sound unit may receive a fair or poor rating based on other factors, such as whether structural reports were kept.

EPA will assess by the end of the calendar year all of the units that had a dam hazard potential rating of high or significant in the responses provided by electric utilities to EPA's previous information requests, and will release additional reports as they become available.

As announced by Administrator Lisa P. Jackson on March 9, 2009, EPA, together with other federal agencies and states, is working to ensure that tragedies like the coal ash spill in Kingston, Tenn. last December are avoided through the proper management of coal combustion residuals.

More information: <http://www.epa.gov/epawaste/nonhaz/industrial/special/fossil/surveys2/index.htm>

R261

Leave a Reply

Name

Mail (will not be published)

Website

By submitting your comment, you agree to the [Terms of Use](#).

© 2009 CAP Action | 1333 H Street NW, 10th Floor | Washington, DC 20005