

MARCH 2014

# Veritas

A PUBLICATION OF THE TEXAS PUBLIC POLICY FOUNDATION

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Texas Public Policy  
FOUNDATION  
Celebrating 25 Years

# Veritas

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# PRESIDENT'S MESSAGE



Dear friend of liberty,

Texans come from every corner of the globe. That's been true from the beginning: from the conquistadors who first set foot in the wild lands, to the men of many nations defending the Alamo, to the immigrants who contribute to the more than 90 languages spoken in the city of Houston today. Among the great stories of men and women from other nations making their home under the Lone Star is that of the Texas Germans, many of whom came under the protection of the *Adelsverein*—formally the “Society for the Protection of German Immigrants in Texas”—formed in 1842.

Germany of that era was a place of relative peace and prosperity, and Texas promised neither, but Texas was compelling for the one thing Germany did not have: liberty. Among the thousands of Germans abandoning the comfort of the green Rhineland for the tumult of the stony frontier was nearly a young man from Trier who purchased a ticket—but then did not board his boat. And so Karl Marx missed the opportunity to be Texan.

Texas takes in the multitudes because Texas is not defined by ethnicity, nor language, nor creed. It is a geographic expression, to be sure, but it is something more meaningful: it is an *idea*. Texas is the idea that the individual is the sovereign of his fate, deserving liberty, and demanding nothing but the chance to make his own way in life. It's an idea as simple as it is powerful. It drove the American Revolution, and the Texas Revolution, and it undergirds the finest facets of our society, politics, and policy now. Wherever you are from, whatever your station, if the love of liberty resides in your heart—then you have what it takes to be a Texan.

Carine Martinez-Gouhier is a perfect example. She is both French and Polish, and grew up in France, absorbing the extraordinary culture of her native land—coming to understand, first, that France was at its historical best when it was advancing liberty's cause, and second, that that cause today resides elsewhere in the world. She left France to find liberty in America, and specifically in New York City. But New York City was not enough: the belief in big government that afflicted France had taken root there too. And so she traveled a bit further west—to Texas. She's an intern with our Center for Economic Freedom today, researching the data that proves liberty's case. In her love for freedom, she, a daughter of France, is as much a Texan as I am, a native-born daughter of Glen Rose.

In this issue of *Veritas*, you'll read Carine's story. And you'll read about the fine work our scholars are doing, from Kathleen Hartnett White's efforts to shine the light of truth on the climate-change debate, to the latest on school choice in Texas, to our extraordinary Policy Orientation in January. It's work we do because we believe in the cause—work we are able to do because *you* believe in us.

A handwritten signature in black ink that reads "Brooke Rollins".

Brooke Rollins  
President and CEO

# School Choice: For Our Children

by James Golsan



Every parent should have an opportunity to place their child in an education environment that best suits that child's needs. A parent should not be restricted from doing so by their address or their income level.

It's difficult to imagine anyone disagreeing with those statements. The idea that a child should be given the best chance succeed, that every student should have equality of opportunity, is what school choice is about, yet it remains a deeply polarizing idea in the education community.

The reality is that there is no way a traditional public school, even an excellent one, is going to be the best learning environment for every student it serves. The wide proliferation of public school choice (43 states now have charter schools operating within their borders) suggests that the education community recognizes this fact. Despite these increases in public options, though, there is still much room to improve education freedom through private school choice for millions of American students.

The good news is that nationally, school choice is on the rise. If you factor in every kind of private school choice at work in our states' education systems today—a variety of education scholarships, special needs scholarships, and education savings accounts—16 states and the District of Columbia have some form of private school choice in effect within their borders. Not bad for a movement that is still relatively young; the first choice program in the United States was the Milwaukee Parental Choice Program, established in 1990.

There are 32 individual choice programs operating within those 17 states. Growth in education freedom has been rapid in recent years; a majority of those programs have been enacted since 2004.

The momentum for parental freedom is overwhelmingly positive, and the outcomes and popularity of these programs are encouraging. Florida, one of the earliest experimenters in school choice, has seen dazzling academic gains amongst their special needs students (both those receiving scholarships and the special needs population that choose to remain

Voters overwhelmingly support the policy of “tax-credit scholarships.” The percentage of those who favor (72%) is more than triple the number of people who say they oppose such a school choice reform (20%).

-Friedman Foundation for Educational Choice

in the state’s public schools) since the inception of the McKay Scholarship Program, the special needs scholarship enacted there in 2001.

Arizona, the first adopter of the Education Savings Account, which allows parents to use the state funds that would be directed toward their child in a traditional public school for a variety of education tools, has seen massive parental satisfaction with the program. Ninety percent of participating parents were either very satisfied or satisfied.

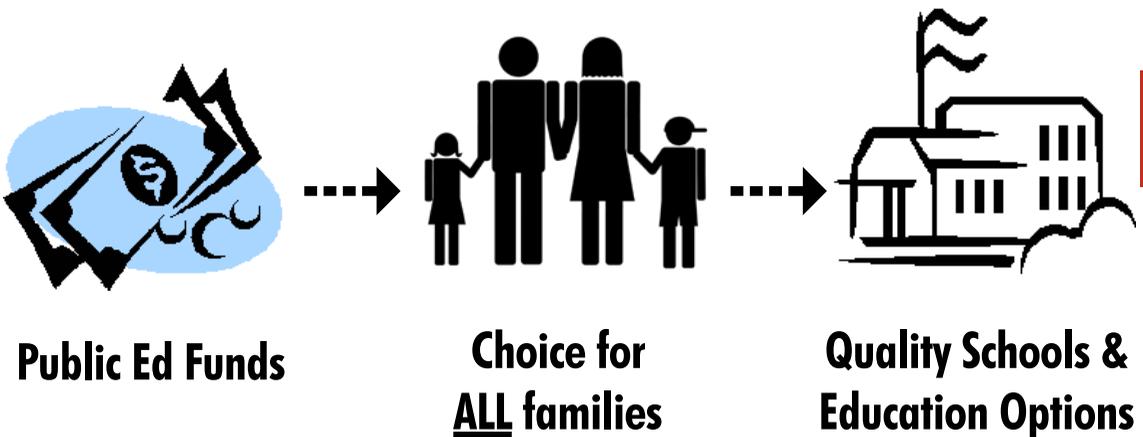
Indiana, one of the first adopters of a state-wide education scholarship program, saw such enthusiastic participation from students in the program’s early years that it drastically expanded in 2013. Where previous scholarship eligibility determination rested almost entirely on a family’s income level, the new laws make

it easier for special needs students and students trapped in failing schools to receive a scholarship. The gains have been significant; in 2012, there were just over 9,000 students participating in the program. In 2013, that number more than doubled to 20,047.

Yet the picture isn’t all rosy. Many states, including Texas, remain extremely reluctant to adopt any sort of private school choice.

One problem seems to be the narrative surrounding the issue. Private school choice is often positioned by its detractors as an assault on the public school system, a means to syphon away their money and redirect it to private schools. The reality is that school choice programs do not hurt a school’s funding stream any more than a student departing for another district or state would.

continued >>



During Horizon’s run from 1998 to 2008, graduation rates in the district’s public schools rose substantially (23% in the first six years of the program), while the number of campuses rated “Exemplary” per the state accountability system increased along with increases in teacher pay and per-pupil spending.

Our schools are funded on a per-pupil basis, which means a school receives its money based on the number of students it is charged with educating. If a student departs his or her public school for a private school with the help of a scholarship, that public school is no longer responsible for educating the student, and therefore no longer receives the money to do so. However, that school’s per-pupil funding—the most meaningful metric for assessing education spending—stays the same or rises, as property taxes designated for a school district would still be collected.

In the roughly 20-year history of school choice in the United States, no public school system has seen its ability to educate students weakened by a private school choice program. If anything, studies on the choice programs in Washington, D.C. and Texas’ privately funded Edgewood ISD Horizon Scholarship program suggest that school choice programs can have a positive effect on public school performance.

The latter is a particularly compelling example of the positive impact a choice program can have on surrounding public schools. During Horizon’s run from 1998 to 2008, graduation rates in the district’s public schools rose substantially (23 percent in the first six years of the program), while the number of campuses rated “Exemplary” per the state accountability system increased along with increases in teacher pay and per-pupil spending. The district’s public schools did not collapse in the face of competition. They rose to the challenge and excelled, in turn bettering the education of thousands of students.

While these are exactly the sorts of positive impacts that have encouraged the proliferation of school choice in other states, those who oppose freedom in education have proven willing to fight choice expansion at every available avenue. Legal challenges are one of their favorite tactics. A number of states that have recently enacted private school choice have faced challenges in court over the legality of their choice programs, including Indiana, Louisiana, and New Hampshire. Indiana successfully defended its choice program. In the cases of Louisiana, New Hampshire, and others, the legal picture remains uncertain.

The idea of school choice runs contrary to the way American education has operated over the last half century. Pushback is to be expected against any kind of reform, especially when that reform represents a revolutionary shift in the way we educate our students. But perhaps revolution is exactly what we need.

**The United States spends more per pupil than any other country in the world, but our overall education performance ranks 26th.**

According to the Organization for Economic Cooperation and Development, the United States spends more per pupil than any other country in the world, but our overall education performance ranks 26th. Clearly we are not spending our dollars in a way that maximally benefits our students.

“Texans believe that every child should have a chance to attend a school that best addresses their specific needs. However, even an excellent public school may not be the best fit for addressing the needs of every student in its district. Unfortunately, Texas’ education system provides too few opportunities for families seeking alternatives to their local public school.”

~Brooke Rollins, Texas Public Policy Foundation

As we continue to fight for greater education freedom in Texas, we should keep in mind that school choice is about addressing the very problem outlined above: making our education system work best for all the students it serves.

We are making progress. The 83rd Texas Legislature took positive steps to improve public school choice by expanding our charter and virtual school options for Texas students. The national trend to expand choice should be even more encouraging; if states such as Indiana and Louisiana can revolutionize their education sys-

tems via choice, there is no reason to think we can’t. But there is still much work to be done.

It may be a long struggle, but a struggle worth seeing through to the end, because victory means a better future for thousands—millions—of Texas students. And this fight is solely about the students. It’s time we stop telling our children that their education, their future, is determined by the neighborhood in which they live. It’s time to put the student first in Texas education. ★



**James Golsan** is a Visiting Fellow with the Texas Public Policy Foundation. He writes on K-12 education issues including K-12 education growth, public education reform, and private school choice. He has been published in the *Houston Chronicle*, *San Antonio Express-News*, *Austin American-Statesman*, and others.



# Finding Freedom under the Lone Star

## Meet Carine Martinez-Gouhier

by Craig E. Bennett

“Texas the cat” is a cat with his own blog. In it, you can read all about his “friends,” his activities, and his everyday life; it’s actually quite entertaining. The pictures and posts don’t just provide laughs, though; they tell a story. “Texas,” you see, is owned by Carine, a native of Paris, France and an intern here at the Texas Public Policy Foundation. And, in a story which may seem familiar to many, Carine, her husband Hervé, and “Texas” left their lives in France in 2011 and moved to New York City, beginning a search for greater liberty which would last for the next two years.



Carine Martinez-Gouhier

Though they did find more freedom in the Big Apple than in France, after two years Carine and her husband had experienced enough of New York’s taxes and regulations. She describes it as “like France.” Her husband, who owned his own company, was especially burdened by the business climate. So about six months ago, Carine and Hervé once again left their lives behind, this time for the beacon of freedom we call Texas. Finally, Carine had found a place in the world where “if you work hard, you have your chance.” In France, she explains, “You are always wondering if you can do what you want to do ... you are always being blocked.”

For Carine, moving to America, and by extension Texas, was not just about liberty. “If I just wanted liberty, I could have moved to Hong Kong,” she says. She also desired to live in an enterprising, hardworking culture. Unlike France, she finds Texans to be much more respectful of property and of commitments; Texans embrace personal responsibility and ownership of one’s actions, whereas the French just say “it’s not my fault, not my problem.”

The search for liberty has spanned generations of Carine’s family. Her mother’s family is of Polish origin, and before the war they fled to France to escape communism. At an early age, Carine heard “the nicest stories about Americans” from her grandmother who worked at a U.S. military hospital during WWII. She credits this and her parents with helping her form



ABOVE LEFT: TPPF's spring 2014 intern class (from left: Catherine Van Arnam, Stanton Fehr, Hannah Eaton, Michael Mara, Renee Lewin, Cullen Neely, Carine Martinez-Gouhier, and Craig Bennett. RIGHT: "Texas" the cat studying the Foundation's recent book on the Lone Star State's economic success, before writing his *Texas, a Cat in... Austin* blog entry.

her own opinion about America rather than simply accepting the anti-Americanism “which is everywhere in France.”

She is particularly inspired by our Constitution's protection of individual liberties and Jefferson's expression of the inalienable right to the pursuit of happiness. “In France, and even a little in New York,” she explains, “the focus is on the government creating one collective happiness,” but “in Texas, you can pursue your *own* happiness.”

With her background in research, Carine discovered the Texas Public Policy Foundation not long after her arrival in Texas. Coming from France, Carine has a special appreciation for liberty and free enterprise, and so she joined the foundation as an intern within the Center for Economic Freedom. Eventually, she would like to pursue a career in research and writing on the topic of free market economic principles.

**“In France, and even a little in New York, the focus is on the government creating one collective happiness. In Texas, you can pursue your own happiness.”**

Carine, like so many others, has come to Texas precisely because of our state's storied commitment to liberty and freedom fighting, and now she will be working to preserve and extend this liberty. People like Carine are a big part of why Texas is growing, and her story serves as an important reminder: we must always defend the freedom found here, so that Texas will always remain a place where future Carines—and even another “Texas the cat” or two—can find a place where liberty is alive and well.

**Craig E. Bennett, Jr.** is a native of Austin, Texas and a current student at Austin Community College. After completing his internship at the Texas Public Policy Foundation, he plans to transfer to a university and pursue a career in political science or geology.



TEXAS PUBLIC POLICY FOUNDATION  
POLICY ORIENTATION  
& VISIONARIES MEETING  
2014

**“I have attended many conferences and events, and the Visionaries Meeting is simply the best of the best. TPPF does an outstanding job providing excellent and informed speakers with positive solutions. The professional staff creates an environment that is user friendly and FUN. Job well done.”**

**-John Dodd, TPPF Visionary**

Our annual Policy Orientation and Visionaries Meeting lasts just three days—but the impact and influence last the entire year. The principles we discuss, the insights we gain, the inspiration we receive, and the resolve we summon all motivate us in the succeeding months—until the time comes for us to gather again, and renew our fellowship in freedom.

The Texas Public Policy Foundation held its 12th Annual Policy Orientation for the Texas Legislature and 6th Annual Visionaries Meeting this past January 8-10, 2014. This year’s three-day symposium drew nearly 700 attendees, with two-thirds of the Texas Senate and well over half of the Texas House represented.

In addition to record breaking attendance at our Visionaries Meeting, the number of media attending the conference also reached new heights. With more than 450 media mentions—in outlets like Texas’ “big five” newspapers, *Drudge Report*, *Brietbart*, and *Forbes*, two viral videos with over 12,000 views, and almost 3,000 social media mentions, this year’s communications strategy yielded tremendous results and shattered past records.

The event featured some of the most inspirational keynote addresses to date from speakers, such as U.S. Senator Ted Cruz, Attorney General Greg Abbott, Louisiana Governor Bobby



OPPOSITE: U.S. Senator Ted Cruz delivers a riveting keynote address to the sold-out audience. LEFT TO RIGHT: Rick Santorum, former U.S. Senator and 2012 Republican presidential candidate visits with conference attendees. | Syndicated columnist John Fund moderates an immigration policy discussion. | Conference participants take advantage of the Q&A portion of the panel presentations.

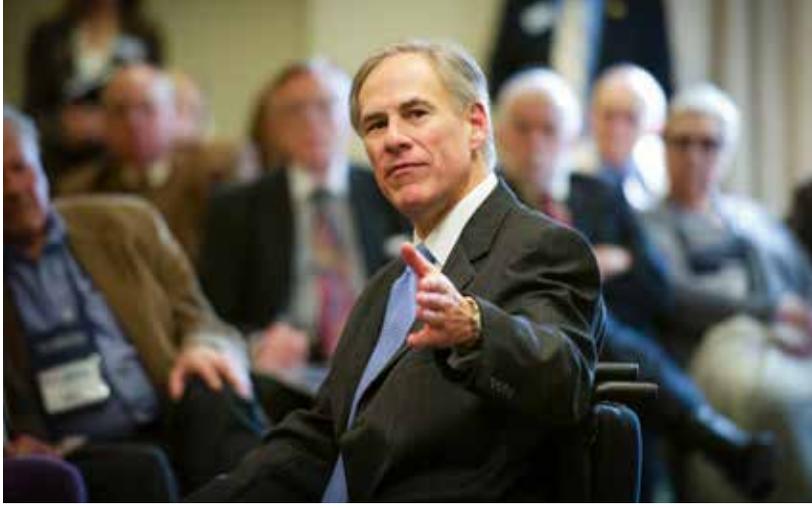
Jindal, former presidential candidate Rick Santorum, The Honorable Phil Gramm, syndicated columnist John Fund, and State Representative Scott Turner. There were, of course, the panels that tackled the hard questions and big challenges facing Texas.

The work and life of the Texas Public Policy Foundation rest upon the bedrock of your vision, and your support—and it's at our annual Policy Orientation and Visionaries Meeting that this truth is made visible.

## Visionaries Meeting

The 2014 Visionaries Meeting was packed with exciting speakers, compelling discussions, and a behind-the-scenes look at Texas policy. This year, nearly 130 Visionaries joined us for an exclusive, behind-the-scenes look at the future of Texas politics at locations such as Long Center for the Performing Arts and the Bob Bullock Museum. In addition to attending all Policy Orientation programming, Visionaries—TPPF donors who contribute at least \$1,000 per year—attended special events such as:

continued >>



TOP LEFT TO RIGHT: An Austin American-Statesman reporter interviews State Rep. Bryan Hughes in between policy panels. | Texas Attorney General Greg Abbott shares with Visionaries Meeting attendees some of his office's most important work. | Louisiana Governor Bobby Jindal shares how conservative principles are working in his state and in Texas during his keynote address. | TPPF Chairman Dr. Wendy Gramm enjoying the quality networking time as well as the many inspiring keynote addresses throughout the three-day conference. | TPPF president Brooke Rollins welcomes former NFL player and Texas entrepreneur Craig James to the stage to introduce his friend and fellow NFL star State Rep. Scott Turner. | This year's Policy Orientation drew an overflow of media outlets and bloggers, here gathering to hear from U.S. Senator Ted Cruz.

**“Visionaries Meeting took my interest in Texas public policy to an entirely new level. I only wish I would have started attending this amazing event years ago!” -Dr. Patrick McGinnis, TPPF Visionary**

- Private dinners with Rick Santorum, former U.S. Senator from Pennsylvania and Republican candidate for President; and John Fund, columnist at *National Review Online* and Senior Editor of *American Spectator*.
- A VIP breakfast and private meeting with U.S. Senator Ted Cruz.
- A private meeting with Louisiana Governor Bobby Jindal.
- A briefing with Texas Attorney General and candidate for Governor Greg Abbott and TPPF President Brooke Rollins.

Visionaries Meeting allows Visionaries to share their thoughts and concerns, learn how their support is being used, and meet other Visionaries from across the state. The event also provides an opportunity for the Foundation to thank our Visionary donors for supporting our work. Perhaps most importantly, the enthusiasm, determination, and passion for liberty at this special gathering inspire the Foundation’s work and fuel our efforts for many months to come.

If you are not already a Visionary, consider becoming a part of this elite group by making a tax-deductible contribution of \$1,000 or more to support the Foundation (your contribution can be paid over convenient monthly installments). Please help TPPF continue its important work and join some of the most committed defenders of freedom in Texas as a Visionary.

**For more information, please contact Sarah French at 512.472.2700 or [sfrench@texaspolicy.com](mailto:sfrench@texaspolicy.com).**

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# You're the Denier! No, You're the Denier!

## The Debate about the Climate Degenerates as the Weather Cools

by Kathleen Hartnett White

Niagara Falls freezes over. Photo credit: Seyit Aydogan/Anadolu Agency/Getty Images

President Obama is doubling down on his climate agenda while many countries and leading voices within the scientific community are pulling back. Crushing costs and inconvenient facts about cooling weather have led Australia, Britain, Germany, Canada, and other countries to pull back on carbon mandates.

The recently issued Fifth Assessment Report (AR5) of the United Nation's Intergovernmental Panel on Climate Change (IPCC) acknowledged—albeit an admission tucked in the middle of the report—that the lull in warming over the last 16 years questions the basic assumption of the IPCC's science. This controlling premise is that man-made emissions of greenhouse gases will cause catastrophic global warming. At the core of this scientific theory, evolving over the last three decades, is the assumption that the relatively small volume of anthropogenic carbon dioxide (CO<sub>2</sub>) added to the atmosphere trumps all the natural forces of the earth's climate, forces such as the mighty sun. Solar energy comprises 98.9 percent of the energy in the earth's climate system. Yet, the sun's role is negligible to absent in the hundreds of studies which comprise the IPCC's science.

The President, however, is undaunted, as is his base. In fact, he and his senior officials have ramped up their rhetoric. In his State of the Union Speech last January, he declared that “the debate is settled” and that our country must follow the “unequivocal” dictates of science. As many of the predictions about the climate fail to materialize, the alarmists switch nomenclature from global warming to climate change and now to climate disruption. In short, they conflate climate and current weather to assert that man-made emissions of CO<sub>2</sub> are causing extreme, as if unprecedented, weather events.

The President’s plan, yet another executive action beyond existing law, is a futile, wasteful hodgepodge of at least 50 programs associated with anything green or low carbon.

Droughts, floods, snow storms, colder or warmer temperatures: name any kind of bad weather and voilà: “proof” of a planetary “disaster unfolding before our eyes.” In mid-February, the Secretary of State went as far as to say that CO<sub>2</sub>—the chemical compound that makes life on earth possible—is “...perhaps even, the world’s most fearsome weapon of mass destruction.”

### Obama’s Climate Action Plan

The fatal flaws—but high stakes—in President Obama’s climate policies were the subject of sharply divided debate at a January hearing of the U.S. Senate Committee on Environment and Public Works at which I was invited to testify. The hearing was officially devoted to the President’s Climate Action Plan but featured plenty of discussion about “the science.” The President’s plan, yet another executive action beyond existing law, is a futile, wasteful hodgepodge of at least 50 programs associated with anything green or low carbon.

The part of the plan that generated the most debate at the hearing was the EPA’s proposed regulatory limit for CO<sub>2</sub> from new and existing power plants. These CO<sub>2</sub> standards are the most aggressive regulation of CO<sub>2</sub> since the EPA’s Endangerment Finding in 2009 unlawfully forced CO<sub>2</sub> into the legal category of a pollutant under the existing Clean Air Act (CAA). These mandates, at the moment, extend only to power plants, but the EPA has agreed to develop similar rules for refineries under an out-of-court settlement with environmentalist organizations. continued >>

### EUROPE’S RUSH TO RENEWABLES = ENERGY POVERTY

“Major media in Germany report increasing energy poverty—where heat energy is viewed as a “luxury good” in competition with food. For the first time since the Industrial Revolution, energy regression—as a policy choice in the most developed and affluent nations of the world—rears its head.”

“Not so long ago, man methodically harnessed the dense energy in fossil fuels and so unleashed economic productivity on a scale never imagined in human history. When innovative minds like James Watt developed a steam engine which could convert heat energy into mechanical energy, the energy/economic limits under which all human societies had previously existed were blown apart. The greatest change was for the average worker. A life of back-breaking drudgery was no longer the common lot of the overwhelming majority of mankind.”

~Kathleen Hartnett White, invited testimony before the U.S. Senate Committee on Environment and Public Works, January 2014

## Carbon Intensity of the U.S. Economy, 1949-2012



Source: U.S. Energy Information Administration (Oct. 2013)

EPA's CO<sub>2</sub> standards are patently infeasible for coal-fired plants. The CO<sub>2</sub> limits in the rule could only be achieved by carbon capture and control technology that is not now commercially demonstrated. Several pilot projects have failed or remain incomplete but not a single, successfully operating power plant has been able to use the carbon capture and storage (CCS) technology. Thus, EPA's regulation would force fuel-switching to natural gas or non-emission generating technologies such as wind, solar, or nuclear fuel.

By requiring the impossible, EPA seizes the power to dictate the nation's energy infrastructure. Such regulatory power denies the fundamental economic freedom enshrined in the CAA. This law, heretofore, has allowed private actors—not the federal government through the EPA—to choose energy fuel, process and product. Our democracy is undermined if unelected federal employees at the EPA can wield such authority over the economy.

### Unsettled Science

The most important part of the Senate hearing regrettably arrived near the end of the four-hour session, after many members had left to attend other hearings. The last witness was Dr. Judith Curry, Chairman of the Atmospheric Science department at Georgia Tech and a long-time reviewer of the IPCC science. She testified that “both the climate change problem and its solution have been vastly oversimplified by the IPCC and the policy process.” The billions of dollars spent on climate research across the world have been devoted to identifying man's influence on the climate and then to simulate those influences in models to predict the future effects. Thus, the research was devoted to re-enforcing the original premise of the theory. Increasing physical evidence about cooler temperatures, the sun, and sea-levels that contradicts the IPCC models begs for more research on the natural variability of the climate, according to Dr. Curry. For instance, the observed decline in solar activity is most likely the reason for cooler temperatures—a natural force that the temperature record of the last 16 years demonstrates was not trumped by increasing CO<sub>2</sub>.



Kathleen Hartnett White's invited testimony before the U.S. Senate Committee on Environment and Public Works in January.

Dr. Curry also noted that government records from the last century show that tornados, storms, droughts, wildfires, etc., have been neither more intense nor more frequent than in recent years. She offered that the belief that recent extreme weather is unprecedented results from “weather amnesia.” She said: “In the U.S., most types of weather extremes were worse in the 1930s and even in the 1950s, while the weather was overall more benign in the 1970s. ... The extremes of the 1930s and 1950s are not attributable to greenhouse warming and are associated with natural climate variability.” She reminded policymakers that “CO<sub>2</sub> is not a control knob on climate variability,” otherwise known as weather.

### Catastrophic Climate Regulation

Whether the President admits it or not, the scientific justification for global warming alarmism is substantially unraveling. In addition, the U.S. Congress has repeatedly rejected the climate policies that the President and his executive agencies are implementing. Yet, over the past few years, the EPA has run full steam ahead—adopting regulations unprecedented in number, scope, and stringency.

In Texas, 60 to 80 greenhouse gas permits for multi-billion dollar industrial projects—made viable by the oil and gas boom—have been sitting in limbo for more than two years. EPA's coal rules may force closure of many power plants which have already invested hundreds of millions to install pollution control technology for conventional pollutants. And this Administration has asserted general authority to block the Keystone pipeline, coal exports and to close coal mines. EPA recently proposed a Social Cost of Carbon (SCC) fee, the

continued >>

## CO<sub>2</sub>: Gas of Life or Dirty Pollutant?

- » Secretary of State John Kerry recently called CO<sub>2</sub> “the most fearsome weapon of massive destruction.”
- » Life on the earth depends on photosynthesis through which plants make carbohydrates from CO<sub>2</sub>.
- » Increased man-made CO<sub>2</sub> is “greening” the planet by increasing global agricultural yield 25-55%. Natural gas-derived fertilizer has increased yield by 40-60%.
- » Fossil fuels shrink the human footprint on the natural world. Without fossil fuels, global cropland would need an additional 2.3 billion hectares—an area equivalent to the U.S., Canada, and India combined.
- » CO<sub>2</sub> is not a dirty pollutant that impairs human health like genuine pollutants. OSHA sets the health-effects level for ambient CO<sub>2</sub> in an enclosed space at 5,000 ppm. The current level of atmospheric CO<sub>2</sub> is less than 400 ppm.

equivalent of a carbon tax applicable to just about any activity including driving a car fueled by gasoline.

Some pundits view the President’s expanded interest in climate change as rhetorical window dressing; something that will appease his supporters on the far left but ultimately not be implemented. Yet once the EPA’s regulatory machinery gets in legal motion, it is difficult to reverse. Federal courts accord broad deference to the EPA because Congress delegated such general authority “to protect human health and environment” to the agency. EPA uses this broad authority to impose binding rules that are equivalent to law. Congress, under the U.S. Constitution, is the only branch of government that can make law.

The economic and human stakes of the climate debate are higher than many U.S. policymakers recognize. The Energy and Environment Minister of Germany recently stated that his country faces a risk of “rapid de-industrialization” if Germany’s aggressive renewable energy initiative is not reined in. German industry is not the only sector feeling the pain. *Der Spiegel* reports that 600,000 households are cut off from electricity because the cost has become unaffordable. German electric rates for households have already doubled since 2000 and are expected to increase more than 40 percent in the near future. Germany’s electricity prices are now three times higher than the average U.S. price.

Major media report increasing energy poverty, where heat energy is viewed as a “luxury good” in competition with food. The Catholic charity Caritas takes energy-saving light bulbs on their home visits and notes families must decide between using a light bulb or having a hot meal. Coal-fired electric generation, however, has increased to provide back up for the inherently intermittent generation from wind and solar. The U.S. now exports wood pellets



Sunlight streams through the windows of a building that caught on fire in Plattsmouth, Nebraska, Jan. 3, 2014.  
Photo credit: AP Photo/Nati Harnik

to Germany for home heating and (not-so-low-carbon) electric generation because wood is deemed renewable.

That such a regression from modern living standards could occur so rapidly in Germany's highly developed economies is a stunning turn of events that U.S. policymakers would be wise to absorb. Haphazard, wishful-thinking energy policies that dismiss the physics of energy and transfer unaffordable costs to consumers are morally objectionable. Low-income families will suffer the worst.

On February 24, the U.S. Supreme Court heard oral arguments from the Texas Solicitor General and other parties challenging EPA's authority to regulate CO<sub>2</sub> under existing law. A ruling is expected in June. A favorable ruling would be a big step forward but would not extinguish EPA's authority over CO<sub>2</sub>. Yet resolving the increasingly tangled web of climate regulation is a task bigger than any a court can take on. Congress, ultimately, must resolve this inglorious mess. ★



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## 2014 POLICY PRIMER SERIES

The Policy Primer Series continues in 2014, offering non-partisan educational events throughout the year. Primers will be held in the Capitol with all legislators, legislative staff, elected leaders, media, and the public invited to attend. Often presenting both sides of the most important issues of the day, primer seats fill quickly. Please check our website at [www.TexasPolicy.com](http://www.TexasPolicy.com) for location details and registration information. *Schedule is subject to change.*

### APRIL 16

#### FISCAL POLICY

*Texas at a Turning Point: A Free Market Economics Conference and Luncheon*

8:30am-1:15pm Sheraton Austin at the Capitol

### APRIL 29

#### EFFECTIVE JUSTICE

*Cutting Edge Corrections: Leveraging Technological and Medical Advances to Reduce Crime*

### MAY 21

#### HEALTH CARE

*Let the People In: Scope of Practice Reform in Texas*

### JUNE 12

#### ENERGY & ENVIRONMENT

*5 Key Reforms for Texas Water Policy*

### JULY 31

#### K-12 EDUCATION

*Celebrating Milton Friedman's Legacy: Educational Excellence through School Choice in Texas*

### AUGUST 7

#### TENTH AMENDMENT

*Bringing it Back to the States*

### AUGUST 19

#### ECONOMIC FREEDOM

*Markets or Mandates? Economic Freedom for Texas*

### SEPTEMBER

#### EFFECTIVE JUSTICE

*Unlocking Liberty: Reining In Overcriminalization*

### OCTOBER

#### LOCAL GOVERNANCE

*What Did You Vote For? Ballot Box Transparency*

#### FISCAL POLICY

*The Power of Budget Transparency and Legislative Oversight*

### NOVEMBER

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