

Obama's Climate Policy

August 2013

It has been about eight weeks since President Obama's June 25 speech on climate policy. In his long-awaited and much anticipated speech at Georgetown University, President Obama described his Climate Action Plan. It was billed as a comprehensive strategy to reduce greenhouse gas (GHG) emissions and prepare for the impacts of global warming. Confounded by the partisan gridlock in Congress, the President pledged to use his executive powers to advance climate change policy by deploying clean energy, building a 21st-century transportation sector, cutting waste in homes, businesses, and factories, and reducing greenhouse gas emissions.

The rollout was well done, the press coverage was excellent, and the controversies started almost immediately. Here is a look at what has happened thus far and what lies ahead:

- Gina McCarthy was confirmed as Administrator of the U.S. Environmental Protection Agency (EPA) on July 17. Her confirmation was a part of the compromise forged in the Senate following Majority Leader Harry Reid's (D-NV) proposal to use the so-called nuclear option by the Democratic majority in order to win confirmation of seven of President Obama's long-delayed Executive branch appointments. It was a last-minute deal in which the White House withdrew two of the nominations in exchange for the other five being brought to the floor for a vote, where they were confirmed.
- McCarthy was a strong candidate for EPA administrator after serving as EPA Assistant Administrator for the Office of Air and Radiation since 2009. Another asset as reported in *The Washington Post*, "McCarthy studied both primitive cultures and primates, which she insists has prepared her well for her current task: "The study of primitive culture was the best education I could have for working in government."
- Since her confirmation, McCarthy has been busy telling EPA's story to a broad set of stakeholders. In these appearances, she has emphasized the President's message that time has run out on waiting for Congress to act on issues related to the warming of the planet, and that it's time to champion solutions that can be effected through executive action, as well as solutions developed at the community or state level.
- In her first major policy address after confirmation, McCarthy appeared at a well-attended and favorably reviewed event at Harvard Law School. Significantly, she said that EPA could not and should not "dictate solutions," but instead must collaborate with state and local partners. McCarthy described her job as "chief collaborator" and explained, "I don't think it is my job out of the gate to know what

the path forward is. It is my obligation to let those voices be heard and listen to them." Sounding both realistic and ambitious, McCarthy told the Harvard audience: "It is not supposed to be easy. It is supposed to be hard . . . climate change will not be resolved overnight, but it will be engaged over the next three years—that I can promise you."

- Two days after her Harvard speech, a delegation of West Virginia lawmakers, officials, and coal industry executives expressed cautious optimism after meeting at the White House with McCarthy. The session was reported to be a good sign that EPA is willing to listen to concerns about policies and regulations they believe threaten the coal industry.

Shortly after the hopeful signals were sounded after a meeting with stakeholders at the White House, new signs of gridlock emerged. This was when the carbon tax reappeared on the political scene. As a result, McCarthy's words about climate policy not being easy were underscored. For some time, many Republican lawmakers and pro-fossil fuel advocates have claimed that the Obama Administration wants to impose a carbon tax without congressional approval. This belief is one of the pillars of the House of Representatives' drive to "rein in EPA" that has resulted in landmark budget reductions and proposals to limit EPA regulatory authority, as well as require all regulations to be approved by Congress.

- The smoking gun supporting these carbon tax suspicions was supplied by an unexpected source. For more than four years, the Obama Administration has proposed measuring the cost and benefits of its proposed regulations, among other things, by a climate change standard known as the social cost of carbon (SCC). In May 2013, when the Administration published a new microwave efficiency rule under existing authorities, its SCC estimate¹ was suddenly (and some charge inexplicably) 50% higher than the Administration's own 2010 estimate for SCC.
- The August recess is always a time for political hijinks on all sides; this August has been no exception. Both the proponents of climate policy and the opponents have gained headlines. For more insight, see John Hodges' article, "Opportunity for Industry to Weigh In on Social Cost of Carbon," in this issue.
- Supporters of the President's climate policy in the advocacy group Organizing for Action continued to call out climate change deniers in Congress this year, mostly through social media and tools like its online congressional map. On August 13, the group formed from President Obama's re-election campaign took a more creative route to expose climate change denial in Congress by handing out trophies topped with silver unicorns to more than 100 members of Congress whom the group claimed "have denied or dismissed the problem of climate change."
- Not to be outdone, one of the recipients, a senior member of the House Committee on Science, Space and Technology, told his constituents at a town hall that week that climate change is a "total fraud." The next night, he doubled down, saying: "[the] whole idea [of man-made climate change] is a "fraud" perpetrated by people who ". . . want to create global government to control all of our lives."

Finally, while much of the most recent climate debate has been outside of Congress or on the floor of the House during consideration of measures to limit EPA's authority or budget, a new front in the climate change struggle was created in the U.S. Senate. Newly minted Sen. Ed Markey (D-MA) took over the chairmanship of

the Senate Foreign Relations Committee panel on International Development and Foreign Assistance. Markey's subcommittee oversees the U.S. Department of State's participation in United Nations climate talks and he would chair the first vote on any climate treaty sent to the Senate to be ratified. Among Markey's many efforts during his long House career were shaping climate policy at the Energy and Commerce Committee and at the former House Select Committee on Energy Independence and Global Warming. One of President Obama's goals in his June 25 Climate Action Plan was leading efforts to address climate change through international negotiations. With Markey's new role in the Senate, it appears that the President has an ally in the effort.

Much was promised in June. Some developments over the Summer spell promise, other suggest that the gridlock cited by the President in his Georgetown University address may continue to frustrate efforts to forge comprehensive strategy to reduce greenhouse gas emissions and prepare for the impacts of global warming. Has time run out for Congress to act, or will Congress continue to frustrate EPA's efforts? What happens next is unclear, but one thing is certain: McCarthy's prediction that shaping a new climate policy will not be easy. Stay tuned.

¹The SCC estimate cited here was used in a Department of Energy publication. See: Final Rule at http://www1.eere.energy.gov/buildings/appliance_standards/rulemaking.aspx/ruleid/37#.