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Subject: The Leaflet: Take a Deep Breath of Fresh Air

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## Take a Deep Breath of Fresh Air

Good news: over the past 50 years, U.S. air quality has never been better. In a new report from the Texas Public Policy Foundation titled *The U.S. Leads the World in Clean Air: The Case for Environmental Optimism*, Kathleen Hartnett White and Brent Bennett note that emissions control technology coupled with widespread economic prosperity has led to a record-low in critical air pollutants.

“From 1970 to 2017,” White and Bennet wrote, “the aggregate emissions of the six criteria pollutants identified in the Clean Air Act have declined by 73 percent. This improvement has occurred alongside a 262 percent increase in Gross Domestic Product (GDP), a 189 percent increase in vehicle miles traveled, and rising population and energy consumption.”

In essence, the report negates the push for ever-stringent environmental regulations, such as renewable energy mandates (REM) and other taxes levied on oil, natural gas, and coal. REMs require a certain percentage of electricity generation within a state to come from renewable sources such as wind and solar. Carbon dioxide taxes levy a fee, adjusted for rate of inflation, on each metric ton of carbon dioxide emissions. Currently, REMs exist in 29 states and the District of Columbia. Fortunately, no states have implemented carbon dioxide taxes.

The negative economic impact of REMs has been well-documented. For example, Timothy Considine, a professor of economics at the University of Wyoming, found that Nevada's REM resulted in a \$1.75 billion reduction in net economic output in 2016. Even worse, the mandate has produced catastrophic job losses in the Silver State, which are expected to continue for decades.

Policy Analyst Tim Benson notes that REMs also produce sky-high energy costs.

“Unsurprisingly, in states with renewable power mandates, energy rates are rising twice as fast as the national average ... According to EIA, the 29 states with renewable energy mandates (plus the District of Columbia) had average retail electricity prices of 11.93 cents per kilowatt hour (cents/kWh), while the 21 states without renewable mandates had average retail electricity prices of just 9.38 cents/kWh.”

Often ignored by misguided environmentalists, rising energy prices are a real concern for millions of Americans. The U.S. Energy Information Administration (EIA) released its *Residential Energy Consumption Survey* that finds nearly one-third of American households have experienced “energy insecurity,” defined as a challenge in paying energy bills or

sustaining adequate heating and cooling in their homes. More than half of black households and more than 40 percent of Hispanic households are energy insecure. Government policies that artificially make gas and electricity production more costly contribute to energy insecurity, especially in low-income communities.

**Benson stresses** that state legislators and regulators should “not force Americans to switch from fossil fuels to higher-cost, intermittent ‘renewable’ electricity sources, such as wind or solar.” The premature switch to renewables would stifle economic growth and increase the costs “of virtually all goods and services.”

Air quality in the nation is better than ever. To keep the positive economic and environmental momentum going, lawmakers should repeal subsidies and taxes that discourage the use of fossil fuels, and read the just-released **Climate Change Reconsidered II: Fossil Fuels** “Summary for Policymakers,” which provides a scientific and economic analysis of the costs and benefits of fossil fuels.

## What We're Working On

### Energy & Environment

#### **Big Mistakes, Weak Models, and Faulty Assumptions Produce Alarming Flawed Climate Predictions**

In this edition of the *Heartland Daily Podcast*, University of Delaware climatology Professor David Legates, Ph.D., discusses the sorry state of climate research and coverage in the media with Heartland Senior Fellow in Energy Policy H. Sterling Burnett. Legates focuses, in particular, on two recent studies that made alarming climate claims well outside every other set of climate projections, yet is somehow still promoted as truth by the mainstream media.

### Education

#### **Burdensome Regulations Prevent High-Quality Schools from Participating in Voucher Programs in Ohio and Milwaukee**

In this *Research & Commentary*, Policy Analyst Tim Benson writes about a new Cato Institute *Policy Analysis* that finds onerous regulations are reducing high-quality schools from participating in school voucher programs in Ohio and Milwaukee. The Cato authors suggest these regulations are leading to more lower-quality schools to participate in heavily-regulated programs because they are more desperate for the additional funding these programs would provide. Benson argues limiting regulations on school choice programs will likely lead to more high-quality schools participating.

### Budget & Tax

#### **Ending the Tip Credit Would Hurt Tipped Workers**

In this *Research & Commentary*, Senior Policy Analyst Matthew Glans examines a New Jersey proposal that would end the tip credit for tipped workers. “Increasing the legal minimum wage is not an effective method of reducing poverty,

In the December issue of *Health Care News*, Cory Compton reports on two Michigan small business groups that have band together to create TranscendAHP, an association health care plan (AHP). The two business groups are working with the state's Blue Cross Blue Shield and Blue Care Network to give businesses in TranscendAHP the option of purchasing health care plans that were previously only reserved for much larger companies.

### Budget & Tax News

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### Health Care News

### School Reform News

and it harms workers by creating barriers to entry for less-skilled and less-educated employees. Preserving the tip credit will allow employers to hire the workers they need, providing jobs that pay well above the minimum wage when tips are included,” wrote Glans.

#### Health Care

##### Nebraska Should Approach Medicaid Expansion Warily

In this *Research & Commentary*, Senior Policy Analyst Matthew Glans discusses how Nebraska lawmakers should approach Medicaid expansion and the need for reforms like work requirements to be included in any expansion effort. “Work requirements for able-bodied adults without dependents (ABAWDs) are vital for states looking to ensure the long-term viability of their Medicaid program and helping people move from government dependence to self-sufficiency. A well-paying job is a far better way to help people live happy, healthy, and productive lives than making people comfortable in their unemployment,” wrote Glans.

#### From Our Free-Market Friends

##### Energy Production is a Boon for Alaska and all Americans

Beginning in 2019, Area 1002, a 1.5-million-acre federally owned site in northeastern Alaska, will be open to energy exploration. Last year’s federal tax reform law opened up Area 1002 for oil and natural gas leasing, after several decades of congressional inaction to permit drilling in this oil-rich area. The Alaska Policy Forum estimates that tapping into Area 1002 could boost oil production by 1.45 million barrels a day, create up to 130,000 jobs, and bring in \$1.1 billion in federal revenue over the next decade.



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