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FINDINGS

Trusting Nature as the Climate Referee

By JOHN TIERNEY

Imagine there's no Copenhagen.

Imagine a planet in which <u>global warming</u> was averted without the periodic need for thousands of people to fly around the world to promise to stop burning fossil fuels. Imagine no international conferences wrangling over the details of climate policy. Imagine entrusting the tough questions to a referee: Mother Earth.

That is the intriguing suggestion of Ross McKitrick, an economist at the University of Guelph in Ontario who, like me, is virtuously restricting his carbon footprint by staying away from Copenhagen this week. Dr. McKitrick expects this <u>climate conference</u> to yield the same results as previous ones: grand promises to cut carbon emissions that will be ignored once politicians return home to face voters who are skeptical that global warming is even a problem.

To end this political stalemate, Dr. McKitrick proposes calling each side's bluff. He suggests imposing financial penalties on carbon emissions that would be <u>set according to the temperature in the earth's atmosphere</u>. The penalties could start off small enough to be politically palatable to skeptical voters.

If the skeptics are right and the earth isn't warming, then the penalties for burning carbon would stay small or maybe even disappear. But if the climate modelers and the <u>Intergovernmental Panel on Climate Change</u> are correct about the atmosphere heating up, then the penalties would quickly, and automatically, rise.

"Either way we get a sensible outcome," Dr. McKitrick argues. "The only people who lose will be those whose positions were disingenuous, such as opponents of greenhouse policy who claim to be skeptical while privately believing greenhouse warming is a crisis, or proponents of greenhouse gas emission cuts who neither understand nor believe the I.P.C.C. projections, but invoke them as a convenient argument on behalf of policies they want on other grounds even if global warming turns out to be untrue."

<u>Dr. McKitrick</u> is in the skeptical camp himself and has published critiques of the past warming trends reported at weather stations on the earth's surface (like the data now being re-examined after the much-publicized hacking of e-mail messages and files of British climate scientists). But he says that temperature readings from satellites and weather balloons are trustworthy enough to use for monitoring future trends.

Specifically, he proposes tying carbon penalties to the temperature of the lowest layer of the atmosphere (called the troposphere, which extends from the surface of the earth to a height of about 10 miles). He suggests using the readings near the equator because climate models forecast pronounced warming there.

These temperature readings could be incorporated into the kind of <u>cap-and-trade</u> system being negotiated in Copenhagen, which is intended to impose limits on the amount of greenhouse emissions. If the atmosphere warmed, the cap would be tightened to lower greenhouse emissions; if it cooled, the cap would be loosened.

But it would be even better, Dr. McKitrick says, to use the temperature readings as the basis for a carbon tax instead of a cap-and-trade system. Like many economists and environmentalists, he argues that the carbon tax would be more effective at reducing emissions because it is simpler, more transparent, easier to enforce and less vulnerable to accounting tricks and political favoritism.

The carbon tax might start off at a rate that would raise the cost of a gallon of gasoline by a nickel — or, if there were political will, perhaps 10 or 15 cents. Those numbers are all too low to satisfy environmentalists worried about climate change.

But if the climate models are correct, Dr. McKitrick calculates, within a decade his formula would cause the tax to at least double and possibly sextuple — with further increases on the way if the atmosphere kept heating. The prospect would give immediate pause to any investors trying to decide today what kind of cars, power plants and other long-range energy projects to finance. To estimate future profits, they would need to study climate.

"The best results will accrue to firms incorporating the most accurate climate forecasts into their decision making, precisely the kind of forward-looking behavior environmentalists want to encourage," <u>Dr. McKitrick writes.</u> "Consequently, it's not the case that we have to wait until it is 'too late' to respond to global warming. The market will force investors to make the best possible use of information and to press for improvements in climate forecasting in the process."

The revenues from a carbon tax might be refunded to the public, as Dr. McKitrick and others have suggested, or the money might be spent developing low-carbon energy sources, as <u>recommended</u> in the journal Nature by two economists from <u>McGill University</u>, Isabel Galiana and Christopher Green. After comparing different climate-change strategies for the <u>Copenhagen Consensus Center</u>, they recommend committing at least \$100 billion per year to energy research and development by dedicating the revenues from a global carbon tax.

It would take some diplomacy to work out a formula for tying carbon penalties to temperatures — which temperatures to count, how much to weight trends. Some researchers question whether the tropical atmosphere is the best measure, and they fear that climate science could become even more politicized if it is directly tied to taxes. (For reactions to Dr. McKitrick's proposal, go to nytimes.com/tierneylab.)

But negotiating a temperature tax wouldn't necessarily be any more complicated or acrimonious than the emission cuts being debated in Copenhagen. Instead of arguing about the reliability of forecasts by computer modelers, instead of issuing competing prophecies, both sides would have to abide by what actually happens in the atmosphere.

By starting off with a small penalty for carbon emissions, politicians wouldn't have to take the blame for imposing immediate pain on the public. The pain, if it came, wouldn't be felt until later — and at that point

they wouldn't have to take direct responsibility anyway.

They wouldn't have to vote for higher taxes and utility bills. They could blame it all on Mother Earth, and she never has to worry about being re-elected.

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