

State Global Warming Laws

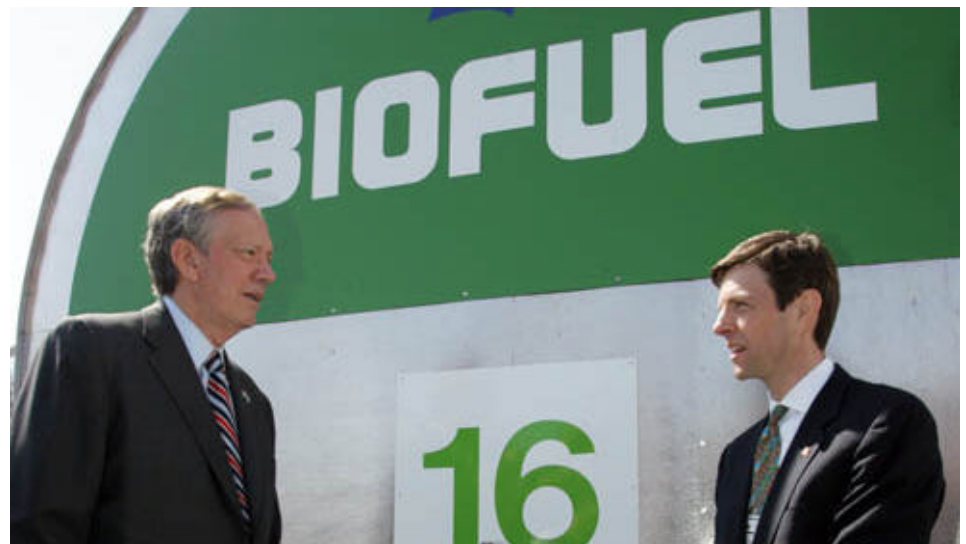
How Foundation Grants Affect Climate Policy

By David Hogberg and James Dellinger

Summary: *“If the feds won’t act, make the states do it!” That’s the environmental movement’s latest demand. During the last decade green groups have repeatedly failed to win support from Congress and the White House for national and international controls on greenhouse gas emissions. But the activists won’t give up and they are now playing politics in state capitals. Myron Ebell of the Competitive Enterprise Institute puts it succinctly: Global warming alarmists want to pass “50 mini-Kyotos.”*

What is less well-understood is the role private philanthropy plays in promoting state government climate change regulation. When states pass emissions laws mandating compliance from individuals and industry, who would suspect that private foundations are behind the effort?

The Kyoto Protocol (named after the Japanese city in which it was negotiated in 1997) requires that nations agreeing to its provisions reduce their greenhouse gas emission by about 5.2 percent below 1990 levels by the year 2012. President Bill Clinton signed the protocol but never sent it to the Senate for ratification. Why? Because the Senate preemptively voted 95-0 to oppose any international measures on global warming that harm the U.S. economy. When President George W. Bush took office in 2001 he called the Kyoto Protocol “fatally flawed” and withdrew the U.S. signature. A recent attempt by Senators John McCain and Joseph Lieberman to establish less stringent emissions standards—ridiculed as Kyoto-Lite by its opponents—was defeated 43-55 in the Senate in 2003.



New York Governor George Pataki (left). Pataki has saddled New York and New England with costly global warming regulations.

The Bush Administration has opted instead to promote voluntary agreements. One, dubbed the “Asia-Pacific Partnership on Clean Development and Climate,” encourages the transfer of greenhouse-gas reducing technologies between the U.S., India, Australia, China, Japan and South Korea and would involve the private sector in reducing greenhouse gases.

But that’s not good enough for the environmental movement. With its global warming agenda stalled on the national level, green groups are trekking to state capitals to pressure lawmakers to require mandatory caps on the emission of carbon dioxide and other greenhouse gases. Funded heavily by major philanthropic foundations, particularly the Energy Foundation and, to a lesser extent, the Pew Charitable Trusts, the big guns of the

environmental movement have won an impressive victory: In 2005 seven states in the Northeast agreed to limit greenhouse gases by participating in a Regional Greenhouse Gas Initiative, or RGGI. Green groups are now moving to create similar state and regional agreements on the West Coast and in the South and Midwest.

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Critics in the scientific community observe that there is not enough hard evidence to justify the drastic policies proposed by global warming alarmists. But advocacy groups and their foundation funders are stampeding local communities and state lawmakers into taking actions they will regret.

New York and New England Take the Pledge

In December 2005, the governors of Connecticut, Delaware, Maine, New York, New Jersey, New Hampshire and Vermont arrived at a far-reaching agreement. They said that by the year 2019 their states would cut their greenhouse gas emissions by ten percent below 1990 levels using a “cap-and-trade” system. Under “cap-and-trade” every power plant in the RGGI states would have a fixed limit on the amount of greenhouse gases it could emit. Power plants that exceeded the amount could purchase “credits” from power plants that emitted less than their prescribed limit. Although RGGI currently applies only to about 180 power plants, it is estimated that it eventually could include some 600 electricity generators that emit greenhouse gases. Interestingly, the governors of Massachusetts and Rhode Island declined to join the agreement, arguing that the price their power plants would have to pay to purchase the credits was too high. According to the agree-

ment, each state legislature has to pass laws by December 31, 2008 to conform to RGGI, which is set to take effect on January 1, 2009.

RGGI is the culmination of much pushing and pulling in Northeastern state capitals. In 1998, the head of New Jersey’s Department of Environmental Protection issued an executive order with the approval of Governor Christine Todd Whitman. Commissioner Robert Shinn pledged to reduce New Jersey’s greenhouse gas emissions to 3.5 percent below 1990 levels by 2005. The following year, New York Governor George Pataki also took a pledge: He promised to reduce mercury emissions by 50 percent more than federal standards. That action gave environmentalists the bright idea to pressure him to pledge to put caps on carbon dioxide as well. Pataki established a task force to look into the issue in June 2001. Meanwhile, in August 2001, six states—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont—entered into a non-binding agreement with five Canadian provinces to reduce greenhouse gas emissions to 1990 levels by 2010.

Then in June 2003, Governor Pataki asked the six New England states as well as Delaware, Maryland, New Jersey and Pennsylvania to join New York in formulating a plan to reduce greenhouse gases. Nine of the eleven states initially participated in the Regional Greenhouse Gas Initiative, or RGGI. (Pennsylvania opted only to observe the process while Maryland will not become a participant until 2007.) Meetings began in May 2004.

There is a precedent for Northeastern state cooperation on pollution problems. NESCAUM—the Northeast States for Coordinated Air Use Management—is a non-profit consortium created in 1967 and all the states from Maine to Maryland (except Delaware) use it to deal with air pollution caused by their power plants. In the new regional initiative NESCAUM is supposed to establish the greenhouse gas database or registry where power plants will record their greenhouse gas emissions and track their progress in reducing them.

The Energy Foundation, Pew Target the States

Clearly, the governors and many other

state lawmakers are eager to demonstrate that they are alarmed by global warming. They want the power to increase the regulations on utilities that emit greenhouse gases. What’s less understood, however, is the role private philanthropy plays in pressuring policymakers to accept the claims of climate alarmists. RGGI is the product of lengthy deliberations that included not only state officials but many other so-called “stakeholders”—including major environmental groups.

The Energy Foundation and the Pew Charitable Trusts are two of the biggest funders of state-level climate change initiatives. The Energy Foundation, which partners with Pew and the David and Lucile Packard Foundation on a joint climate program, acknowledges that the “policy and education efforts supported by this program are expressly focused on mitigating global warming.” (See their Website at <http://www.ef.org/programs.cfm?program=climate>.) The focus of its funding is on “state and regional carbon cap-and-trade programs” and “state and regional greenhouse gas plans and targets.”

Since 2001 the Energy Foundation has distributed over 75 grants totaling more than \$5.6 million for state climate change initiatives. (For more on the Energy Foundation see the January 2006 *Foundation Watch*.) This includes \$260,000 the foundation gave NESCAUM in 2002-2004 to develop the greenhouse gas registry—the task assigned to it under RGGI—and another \$25,000 it gave NESCAUM to develop a cap-and-trade program. In 2001 the Energy Foundation also gave \$157,000 to an environmental group called Northeast States Clean Air Foundation to “support NESCAUM’s work on a Northeast regional goal for greenhouse gas reduction.” To date, the David and Lucile Packard Foundation has made a single \$250,000 grant—to the Energy Foundation in 2004—for work on RGGI.

The Energy Foundation also makes grants to environmental advocacy groups to create the appearance of a public clamor for more state global warming regulations. It gave the Natural Resources Defense Council a total of \$300,000 in 2003-2004 to “advocate for a carbon cap-and-trade system in the Northeast, and to strengthen the West Coast Cli-

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The Regional Greenhouse Gas Initiative is the product of lengthy deliberations that included not only state officials but many other so-called “stakeholders”—including major environmental groups.

mate Initiative.” Environment Northeast got \$80,000 in 2004 to “help develop a climate change roadmap for New England and to serve as a stakeholder to” RGGI. The Center for Public Interest Research took in \$300,000 in 2003-2004 to support a coalition called the New England Climate Action Project for work on “regional solutions to climate change.” It gave \$50,000 to the Union of Concerned Scientists in 2004 to “design and implement the [RGGI] carbon market in the Northeast,” and it distributed annual \$50,000 grants to Environmental Advocates of New York in 2002 through 2004 to affect Northeast climate change policies. (For a full list of state climate change grants, see the GreenWatch Highlight for June 2, 2006 at www.greenwatch.org.)

The Pew Charitable Trusts gives fewer grants to outside state-level climate change projects. That’s because the \$4 billion philanthropic foundation converted itself into a public charity in 2004, and it has been very generous to itself. Of the more than \$10.2 million Pew has spent on climate change programs since 2002, the bulk—\$9.7 million—supports Pew’s own Strategies for the Global Environment. This is an umbrella organization for the Pew Center on Global Climate Change.

The Pew Center dedicates an entire portion of its website (http://www.pewclimate.org/policy_center/state_policy/index.cfm) to state climate

change policies. It contains announcements about Pew-sponsored workshops, policy reports, and a database of state and local programs that claim to reduce greenhouse gas emissions. The Pew Center is also a “stakeholder” in the RGGI process. Its Director of Innovative Solutions, former Clinton White House staffer Judi Greenwald, has attended all RGGI workshops and made a presentation on allocating carbon-dioxide credits at a June 2004 workshop. (For more on the Pew Center on Global Climate Change, see the May 2004 *Foundation Watch*.)

Sometimes it seems as if the Pew programs and the Energy Foundation grant recipients are more involved in RGGI than even the states themselves. Dale Bryk, senior attorney at the Natural Resources Defense Council, and Derek Murrow, director of policy analysis at Environment Northeast, have attended every RGGI workshop and they made recommendations at a May 2006 workshop dealing with the cap-and-trade system. The Union of Concerned Scientists, Public Interest Research Group, American Council for an Energy Efficient Economy, Environmental Advocates of New York, and the Conservation Law Foundation—all Energy Founda-

tion grantees—have made themselves players in the RGGI policy process. The Natural Resources Defense Council has gone the extra mile: the 501(c)(3) organization has lobbied the New York state government on RGGI.

“Grassroots” groups are also in formation to pressure state policymakers. A group called Clean Air-Cool Planet, focuses its programs on the nine states that first joined RGGI. Its programs are supposed to “build constituencies for effective climate policies and actions” by targeting local city governments, businesses and college campuses. Clean Air-Cool Planet warns that global warming threatens local industries and agriculture. And woe unto pancake-eaters: In Vermont one of its bumper-stickers says, “Save Our Syrup: Stop Global Warming.” The group bestowed its “Climate Champion” award on Governor Pataki last year. Clean Air-Cool Planet doesn’t pass the hat to fund its programs. It received \$210,000 from the Energy Foundation in 2003-2004.

West Coast Low Carbon Diet

Of course no self-respecting environmentalist group ignores California and the Pacific Northwest. While green groups pressed

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Governor Pataki to undertake a Northeast regional approach to global warming, they cheered on Governors Gray Davis, Ted Kulongoski and Gary Locke, who in September 2003 launched a West Coast Governors Global Warming Initiative (WCGGI). That initiative has developed a laundry list of

threat of global warming whenever the state reviews its policies. Kulongoski created a global warming advisory group which issued a 192-page book of recommendations meant to reduce the sources of greenhouse gases. It called on state residents to drive their cars less and use more mass transit. Truck drivers

helping the Pacific Northwest and British Columbia become world leaders in practical and profitable solutions,” it achieves this via its “Northwest Climate Connection” project. The Northwest Climate Connection is a coalition of environmental groups, businesses, and local governments “working together to demonstrate how protecting the climate helps us build a healthier, more sustainable region.” Since 2003, Climate Solutions has received \$250,000 from the Energy Foundation to promote climate change solutions in the Pacific Northwest.

One of the biggest promoters of climate change policy in the Northwest is the Olympia, Washington-based Climate Solutions. Since 2003, Climate Solutions has received \$250,000 from the Energy Foundation to promote climate change solutions in the Pacific Northwest.

proposals, which includes setting up common standards for measuring greenhouse gas emissions and suggestions on how to use state purchasing power to promote fuel efficiency. WCGGI staff reports recommend that the states collaborate in coming up with ways to update building energy codes, cut emissions on state vehicle fleets, buy more hybrid cars and trucks, and set up transportation electrification sites at truck stops along the 1380 mile-long I-5 highway corridor. The three governors’ offices created a raft of task forces and working groups, which invite environmentalist “stakeholders” to join their deliberations.

To date WCGGI has made less progress than the Northeast regional initiative—Gray Davis’s recall a month after the agreement was reached was surely a factor—but the West Coast effort is just as assertive in arguing that changes to the West Coast climate require new, bold and complex government actions.

In 1997 Oregon became the only West Coast state to put a hard cap on CO2 emissions by some electricity producers, and it required new utilities to cut emissions by 17 percent below that achieved by the most efficient turbine plant. Oregon Democratic Governor Ted Kulongoski, elected in 2003, supported Oregon’s many long-standing “smart-growth” policies restricting land-use and road-building. He vowed to factor in the

were encouraged to reduce their tendency to idle their vehicles. Engineers and architects in Portland were urged to design more energy efficient “green” buildings, and so on. The advisory group warned Oregonians that they needed to act now or expect “coastal and river flooding, snowpack declines, lower summer river flows, impacts to farm and forest productivity” and other ill effects.

Some even said global warming could hurt Oregon’s burgeoning wine industry. Growers would have to curtail production of the state’s signature pinot noir, which needs a cooler climate, and be forced to produce more—horrors!—merlot.

In Washington, Democratic governors Gary Locke and Christine Gregoire, Locke’s successor, followed Oregon’s example by pursuing their own state CO2 “mitigation” policies (i.e., policies to reduce man-made sources of carbon dioxide). They too put a hard cap on CO2 emitted from new power plants subject to state approval, requiring them to reduce emissions by 20 percent. Gregoire also imposed on Washington car owners California’s CO2 vehicle emission standards, the toughest in the nation.

One of the biggest promoters of climate change policy in the Northwest is the Olympia, Washington-based Climate Solutions. Claiming that its mission is “to stop global warming at the earliest point possible by

California Dreamin’

Ultimately, however, everything comes down to California. Just like Hollywood’s filmmakers, the state’s global warming lobby is infatuated with public relations and marketing gimmicks. Nonprofit advocacy groups and their foundation funders are doing everything possible to persuade energy-dependent Californians to accept a carbon-constricted lifestyle. Foundations know California is the key, and they have been pouring money into the state. For instance, the Hewlett and Packard foundations each donated \$150,000 the Union of Concerned Scientists in 2003 for “analysis of climate change in California and to support state based action to reduce global warming emissions.” The Energy Foundation contributed \$36,000 in 2003 to the Natural Resources Defense Council to “model the impact of global warming on ozone levels in three California cities” and another \$100,000 in 2004 to the Union of Concerned Scientists to “study the impacts of climate change on California.”

The Energy Foundation gave \$200,000 in 2001 to the Center for Energy Efficiency and Renewable Technologies (CEERT) in “support of start-up of California’s voluntary greenhouse gas registry.” The nonprofit California Climate Action Registry, created in 2001 by legislation signed by Governor Gray Davis, is supposed to help businesses, municipal governments and public utilities learn more about the causes of global warming—and their legal liabilities. It allows them to register their own greenhouse gas emissions, voluntarily, in order to receive help in cutting them. But of course environmental groups use the data it collects to lobby for more government controls.



Will Governor Arnold Schwarzenegger (pictured above with actor Jackie Chan) impose global warming restrictions similar to RGGI on California, Oregon, and Washington?

posing restrictions on carbon dioxide will have little to no impact on the U.S. economy. Some even argue that regulation will create more jobs. But more honest environmentalists acknowledge that reducing carbon dioxide will likely have an adverse impact on economic growth. Interviewed by the *Washington Post*, Eileen Claussen, President of the Pew Center on Climate Change, admitted that “a major transition away from fossil fuels will not be free.”

One early study by Wharton Econometric Forecasting Associates found that state economies would be hurt if the U.S. adopted the Kyoto treaty’s carbon restrictions. New York would lose 140,000 jobs and \$7.1 billion in tax revenue as unemployment rose to 7.8 percent. Washington State could lose nearly 47,000 jobs and \$2.4 billion in tax revenue and unemployment would approach 6.8 percent.

Free market supporters got their hopes up when Arnold Schwarzenegger replaced Davis, but *Ahnuld* too has jumped on the climate action bandwagon. Last June he signed an executive order calling for voluntary emission-reduction targets. However, the Governor must now compete with the Democratic-led State Assembly to show his concern. On April 3, the Democrats introduced legislation to turn Schwarzenegger’s voluntary goals into mandatory caps. So far the Governor has been careful to avoid rejecting outright the Democrats’ “cap-and-trade” bill, which would cut emissions from power plants and refineries to 1990 levels by the year 2025.

If California adopts cap-and-trade, there will be little to stand in the way of efforts to make the state-based policy a nationwide one. Despite the Bush Administration’s opposition to intrusive government mandates, American industry may yet be tied up by fifty “mini-Kyotos.” It’s important to note that global warming activists have no real

interest in crafting local and regional policies. Rather, they hope that by creating a “policy patchwork” of state laws, large corporations will opt to support a national policy of mandated emission controls. The goal is federal preemption, not federalism. Already, General Electric, Shell, and the two largest U.S. utilities, Exelon and Duke Energy, have indicated that they would welcome or accept mandatory caps on their greenhouse gas emissions. Wal-Mart now speaks in favor of carbon caps.

“What will happen, of course, is that California will do its thing, and then New England will start to weigh in, New York state, and pretty soon we’ll end up with a patchwork,” Ford Motor Company CEO William Clay Ford, Jr. has said. “I really would like to have a national approach to this, because otherwise we and other manufacturers will have a really hard time responding.”

Economic Costs

Environmentalists love to claim that im-

A more recent American Council for Capital Formation study found that RGGI would increase the costs of electricity in participating states by an average of 35 percent in 2010 and 39 percent in 2020. Industrial natural gas prices could rise by 111 percent in 2010 and 119 percent in 2020. Gasoline prices could continue to increase by 39 percent in 2010 and 44 percent in 2020.

Job losses would also rise to near 192,000 by 2010 and 218,000 by 2020. As energy grows more costly job creators may find that they can stay profitable only by cutting jobs or moving to less expensive locations. Losses to Northeastern gross state product could be 1.1 percent in 2010 and 1.9 percent in 2020.

Finally, the purchasing power of typical households in Northeastern states will suffer. A typical family could face erosion in purchasing power averaging \$2,600 in 2010 and \$3,000 in 2020 (in 1999 dollars).

There has been no comparable analysis of the WCGGI. However, studies of the Cali-

California law signed by then-Governor Gray Davis found that mandated reductions in greenhouse gas auto emissions would add more than \$1,000 to the average sticker price of every new car and light truck sold in the state, according to the California Air Resources Board (CARB). Published media reports by the group Sierra Research conclude that regulation will add more like \$3,000 to the average price of cars and light trucks in California and in other states that adopt California standards.

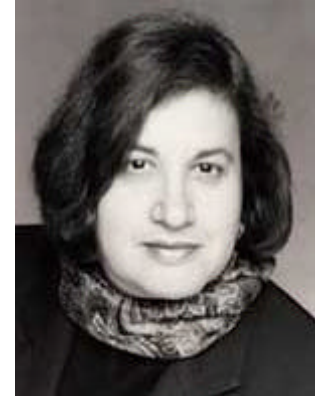
Economists who say, “There is no such thing as a free lunch,” mean it. The U.S. economy is heavily dependent on technologies that produce carbon dioxide. Government policies restricting its production will not be cost-free. Indeed, economic growth may come to a standstill.

Which State Is Next?

As climate change policies in the Northeast and West become reality, where will global-warming alarmists turn their attention next? One state already in their crosshairs is North Carolina.

In 2005, the North Carolina General Assembly passed, and Governor Mike Easley signed into law, a bill that established a “Legislative Commission On Global Climate Change.” The Commission is charged with studying “issues related to global warming, the emerging carbon economy, and whether it is appropriate and desirable for the state to establish a global warming pollutant reduction goal.” Chances are good that the commission will find it “appropriate and desirable” for North Carolina to reduce greenhouse gases. As the free-market North Carolina-based John Locke Foundation notes, the Commission contain “representatives from four left-of-center environmental pressure groups—Environmental Defense, the Southern Alliance for Clean Energy, the North Carolina Coastal Federation, and the North Carolina Conservation Council. All of these groups hold alarmist positions on global warming and advocate extensive regulation of private decision-making to combat the threat that they claim climate change poses.” The John Locke Foundation also notes that there are “no economists on the commission,” and “only one [member], the state climatologist of North Carolina, Dr. Sethu Raman, has a specialty in climate-related sciences.”

Environmental Defense has been pushing climate change action in North Carolina for a number of years. In 2003, it released an extensive report entitled “Understanding Global Warming for North Carolina” recommending that “North Carolina leaders should establish a goal to reduce global warming pollutants.” Environmental



Eileen Claussen, President of the Pew Center on Climate Change. Claussen admits “a major transition away from fossil fuels will not be free.”

Defense has lobbied the state’s General Assembly, although lobbying reports do not specify if climate-change legislation was included.

The Energy Foundation also has its fingerprints on North Carolina. Another member of the Commission, the Southern Alliance for Clean Energy, received a \$100,000 grant from the Energy Foundation in 2003 “to educate policymakers about near-term steps North Carolina can take on climate change.” It received another \$100,000 grant from the Energy Foundation in 2004 “to assist in the development of a state climate change plan to reduce global warming pollution in North Carolina.” On its website, the Boston-based Clean Air Task Force notes that it has worked with Environmental Defense and the Southern Alliance for Clean Energy on global-warming policies in North Carolina. In 2003, the Energy Foundation gave a \$35,000 grant to the Clean Air Task Force “to provide technical support for state climate advocates in Pennsylvania, Ohio, and North Carolina.” Although Environmental Defense receives a great deal of funding from the Energy Foundation (over \$4 million since 1999), and some of it is for global warming campaigns, none was specifically dedicated for activity in North Carolina.

Besides North Carolina, global warming alarmists have other states in their sights. Here is a summary of other states being targeted:

Pennsylvania: The Energy Foundation

The Politics of Peace
What's Behind the Anti-War Movement?
By John J. Tierney

The leaders of the “anti-war” movement today are leftists who oppose capitalism and believe in socialism. Many are communists. At root, they are anti-American rather than anti-war. Anti-war groups have their own outlets for propaganda, employ sophisticated tactics and exploit modern information technology to give their messages instant and global reach. In this important new book from Capital Research Center, international affairs expert Dr. John J. Tierney traces the leftist ideological roots of this influential movement, and exposes its strategies and objectives.

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A state-by-state approach is a shrewd maneuver to build support for global warming regulations at the federal level. It will put the pressure on federal lawmakers to pass national greenhouse gas restrictions that apply to all states.

seems eager to see Pennsylvania become more than just an observer in the RGGI. In 2003, it gave \$34,000 to the Pittsburgh-based Enterprising Environmental Solutions “to assess options for a credible greenhouse gas registry for Pennsylvania” and \$50,000 to the Pennsylvania Environmental Council to “develop a climate change roadmap for Pennsylvania, in consultation with key stakeholders.” In 2004 it gave \$48,000 to Citizens for Pennsylvania’s Future to “support the ‘Cool Pennsylvania Campaign’ and lay the groundwork for global warming policies in Pennsylvania.” However, efforts in the Keystone State suffered a blow in February when the State Senate voted 34-13 to block Governor Ed Rendell’s attempt to impose restrictive vehicle emission standards.

Texas: Although Texas seems an unlikely target, the Lone Star State has already adopted renewable energy mandates and a greenhouse gas registry. Thus, it should come as no surprise that in 2001 the Energy Foundation gave \$45,000 to Public Citizen to “support advocacy for a strong statewide global warming plan in Texas.” Also, the Turner Foundation gave \$75,000 for “support of state-based advocacy around Texas’s global warming plan.”

Midwest: The Lake Michigan Air Directors’ Consortium—which includes Illinois, Indiana, Michigan, Ohio and Wisconsin—is already developing a voluntary greenhouse gas registry. It received \$100,000 for that

purpose from the Joyce Foundation in Chicago in 2005. The Joyce Foundation gave grants in 2003 to the Pew Center on Climate Change (\$57,500) to “support a meeting for Great Lakes business leaders and government regulators to discuss possible state responses to climate change” and to the Union of Concerned Scientists (\$50,000) to “brief state and local officials on the findings of its new report on the effects of climate change on the waters of the Great Lakes.” The Energy Foundation has also gotten into the act in the Midwest. It gave \$75,000 in 2001 to the Environmental Law and Policy Center for the Midwest to “expand the Global Warming Leadership Council, a business coalition dedicated to promoting clean energy in the Midwest” and \$15,000 in 2004 to the Regents of the University of Michigan to “create a Michigan state greenhouse gas inventory.”

Conclusion

It is tempting for those living in more conservative states to dismiss climate change policymaking as largely a project of Blue State America. That would be a mistake for two reasons. First, by tempting so many officials onto the global-warming-alarmism bandwagon, the environmentalists win more credibility for their cause. When governors like George Pataki and Arnold Schwarzenegger advocate in favor of global warming regulations, they lend their prestige to global warming alarmism in all states.

Second, a state-by-state approach is a shrewd maneuver to build support for global warming regulations at the federal level. States that adopt stringent restrictions on greenhouse gases will soon find themselves at an economic disadvantage with states that do not. Their officials will become afraid that their economies will be uncompetitive. And that will put the pressure on federal lawmakers to pass national greenhouse gas restrictions that apply to all states to “level the playing field.” In effect, by using the states environmentalists are building a powerful constituency for regulations at the national level.

When the Bush Administration quashed the Kyoto Protocol, it prevented policy meddling in an area that requires both careful science and openness to private sector technological innovation. If there is man-made

global warming, then efficient solutions should be developed in the marketplace—not imposed by fiat. Unfortunately, some foundation grant-makers think otherwise.

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PhilanthropyNotes

The newly-elected chairman of the **Council on Foundations** is Maxwell King, president of the **Heinz Endowments**. At the Council's annual meeting in Pittsburgh last month, King announced that the old quiet, cautious culture of philanthropy must give way to one which is "proactive, aggressive and very public." In 2004 King was outspoken in denouncing **Capital Research Center** for its reports on the philanthropy of **Teresa Heinz Kerry**, chairman of the Howard Heinz Endowment and a member of the Vira I. Heinz Endowment board.

Speakers at this year's Council on Foundations meeting included **Teresa Heinz Kerry**, **Newt Gingrich** and **George Soros**, chairman of the **Open Society Institute** and **Soros Foundations Network**. Commenting on the nature of open societies, Soros noted that he agrees with **Vice President Cheney** that Russia is becoming a threat to Europe. However, he says the policies in Russia that worry Cheney "also apply to our society now."

The major tax bill just passed by Congress contains almost none of the proposals to change the tax laws governing charities that were the subject of **Senate Finance Committee** hearings last year. Senate-passed measures to allow deductions for donors who do not itemize, to let donors contribute to charities from their IRAs without paying tax, and to tighten rules on conservation easements and donor-advised funds were all dropped in the conference committee.

The **Phillips Foundation** has announced that fellowships totaling \$284,000 will go to eight young journalists. The Foundation and Thomas I. Phillips, chairman of Phillips International, Inc., hosted a dinner for the award recipients at the National Press Club on May 9. Past winners include *Weekly Standard* writer Stephen Hayes and Tim Carney, author of *The Big Rip-Off: How Big Business and Big Government Steal Your Money* forthcoming from John Wiley & Sons. The **Lynde and Harry Bradley Foundation** assist with the funding of the fellowships.

Bob Barker, host of the TV game show "The Price Is Right," has contributed \$1 million to **Georgetown University Law Center** for the study of animal rights law. "All of us interested in making the world a better place for animals are delighted to have law schools of the stature of Georgetown University Law Center becoming increasingly involved in animal rights law," said Barker. What other organizations could enjoy Barker's largesse? **People for the Ethical Treatment of Animals**, come on down!

As mentioned in last month's "Philanthropy Notes," **Michigan Attorney General Mike Cox** is probing the **Ford Foundation**, claiming it owes Henry Ford's home state support for local charities. But in the May 16 *New York Times*, *National Review* reporter **John J. Miller** takes issue with Cox's actions. "[W]hatever its flaws, the Ford Foundation, which was started by Henry's son, Edsel, is a private institution in a free society. It should not have to endure political shakedowns, even when they come from well-meaning conservatives," writes Miller. "Conservatives may be tempted to think they stand to gain from any attack on the Ford Foundation, but in reality they have much to lose." Miller's point: If conservatives support Cox's action, what defense will there be when a liberal attorney general sets his sight on a conservative foundation?

Is **Google** funding **MoveOn.org**? Say it isn't so. According to the *American Spectator*, the popular search engine is funding leftwing MoveOn.org to build grassroots support for "Net Neutrality" legislation, a form of protectionism for online companies like **Google** and **Yahoo!** A bill in Congress would prevent high-speed network operators such as **Comcast** and **ATT** from offering services such as video downloads or enhanced email, thereby competing with internet giants like Google. Reportedly, Google has become MoveOn.org's largest corporate backer, to the tune of \$1 million.

