

Viewpoint

THE QUARTERLY MAGAZINE OF WASHINGTON POLICY CENTER

WASHINGTON POLICY CENTER ON TOUR

ACROSS NORTH AMERICA

Saskatchewan
Ottawa,
Ontario
Canada



TODD MYERS
on the side effects of carbon taxes

Alaska
Idaho
Michigan
New Mexico



DR. ROGER STARK
on improving healthcare despite Obamacare

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Mark your calendars for these WPC events!

JULY 2018						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

- 7/31 **Solutions at Sunrise breakfast**
- Spokane
- 7/31 **President's Lunch in Mt. Vernon**

AUGUST 2018						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

- 8/07 **President's Lunch in Sequim**
- Fortune Star Restaurant – Sequim
- 8/09 **Western Washington Young Professionals Summer Social**
- Sammamish
- 8/16 **Eastern Washington Young Professionals Summer Social**
- Pasco, WA

SEPTEMBER 2018						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

- 9/18 **WPC Clark County Regional Reception with Rebecca Friedrichs**
- Vancouver
- 9/20 **Eastside Breakfast**
- Bellevue Grille at the Bellevue Sheraton
- 9/25 **Solutions at Sunrise breakfast**
- Tri-Cities



Viewpoint

THE QUARTERLY MAGAZINE OF WASHINGTON POLICY CENTER

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Dear reader,

Welcome to this edition of Viewpoint. It is a peek behind the scenes at the battle of ideas Washington Policy Center (WPC) engages in throughout our state.

Viewpoint is a quarterly magazine focused on Washington state policy challenges and solutions, all from a free-market perspective. You will read original works and learn about events you can count on to inform you on policy, arm you for debates, and make friends among your fellow free-marketeers.

In this issue, Madi Clark (Agriculture) highlights the consequences of a trade war on our farmers; Liv Finne (Education) walks us through the second legal battle to keep our charter schools open; and Erin Shannon (Worker's Rights) marks the recent visit of Mark Janus to the state to participate in our annual Solution Summit in Bellevue and Spokane and highlights the importance of his pending ruling from the US Supreme Court.

Beyond our state, Dr. Roger Stark (Health Care), shares how his recent study on Obamacare was adapted for use in multiple states and how it generated interest among legislators from New Mexico to Michigan. Todd Myers (Environment) writes of his recent briefing to members of the Canadian Parliament and provincial governments on carbon taxes and better options for environmental policy that support free choice among consumers.

WPC's mission is to improve lives through free market solutions – to make our state a better place to create a business, raise a family, or get an education. WPC staff are happy warriors—not just critiquing problems or debating opponents but advocating for solutions.

To this end, we focus on the most important issues facing our state through our centers focused on eight areas of policy. We are statewide with offices in Spokane, Tri-Cities, Olympia and Seattle and maintain clubs on four university campuses.

As I take the mantel of WPC Board Chair in my 10th year of service as a board member, I cannot be prouder of our work, accomplishments and growing influence. It is needed now more than ever. More so tomorrow.

I look forward to doing my part to help WPC expand its influence and continue our fight for free market solutions. My wife and I welcomed our third child – a baby girl – just over a month ago. Her birth reminds me to pause and consider what kind of world I want her to inherit and it reinvigorates my confidence in the efforts of WPC.

If you have read this far, I hope you too will pause and reflect. What can you do to expand your involvement and commitment to this battle of ideas? We have a number of ways and you are bound to like one of them. WPC is already making a difference – together we can make it stronger.

Sincerely,



John Otter, *Chairman*

Viewpoint is the quarterly magazine of Washington Policy Center, an independent Washington state-focused think tank.

Viewpoint designed and edited by **August Bress**

Mark Janus headlines WPC Solutions Summit events

By ERIN SHANNON, Director, Center for Worker Rights



Hundreds of engaged citizens attended WPC's 5th Annual Solutions Summit events in Western and Eastern Washington where they heard the story of Mark Janus.

Mark Janus is the man behind one of the most important legal cases of our time. His case, *Janus v. AFSCME*, which is pending before the U.S. Supreme Court, would end the forced unionization of public workers by giving them the right to reject paying a union for representation they may not want. The nine Supreme Court Justices who will rule on *Janus* will determine whether requiring public employees to pay union dues or agency fees for the privilege of working violates the First Amendment rights of those workers.

Mark shared with WPC and Solutions Summit participants his story of how he went from a child support specialist for the state of Illinois whose job is to protect children, to the lead plaintiff in a case to protect the rights of millions of public workers. Mark says that contrary to the union propaganda painting him as a union-buster, he is not anti-union. He simply doesn't feel the union he is forced to pay represents his best interests.

"I am not anti-union. Unions have their place. And some people like them. But unions aren't a fit for everyone. And I shouldn't be forced to pay money to a union if I don't think it does a good job representing my interests."

It's too bad *The Olympian* editorial board wasn't among the hundreds of Solutions Summit participants who heard Mark Janus' story. Recently that editorial board published a disappointing opinion that giving

public sectors workers a choice in whether they pay a union for representation they may not want "is not fair."

What follows is the tired union "free-rider" argument defending forced unionization. The editorial regurgitates the usual union boilerplate talking points that forced unionization is necessary to prevent "free-riders" from getting "union benefits" for free. It reads more like than a union propaganda piece than a thoughtful and comprehensive examination of the issue. It also demonstrates the editorial board's lack of understanding of the complexities of the issue.

Let's be clear; Mark Janus is no free-rider. He isn't looking to get something for free. He just doesn't believe the union does a good job representing his interests and does not believe he should be forced to pay them. As the former president of both the Vermont American Federation of Teachers and Vermont AFL-CIO, who supports giving workers a choice, points out, the free-rider who covets the benefits of membership but doesn't want to pay is a union propagated myth:

"I don't remember meeting any free riders who refuse unionization just to save a buck. I have, however, talked to plenty of people who despised the union they were forced to support, who wanted nothing to do with it, or who sullenly put up with union hegemony because there was no real alternative, like the sad inhabitants of a totalitarian, one-party state. I've met plenty of these folks—disgusted, disappointed, whose rights have been infringed. But I haven't met a single one of the mythical characters union lawyers talk about in court: that is those fantastic beasts who benefit from all the advantages union membership can confer but chuckle into their hands over the great deal they get without paying full price."

As for *The Olympian* claim that workers like Mark are free-riders who want to enjoy the “benefits” of union representation without paying their fair share, here is a news flash for the editorial board—not every worker thinks they benefit from union representation.

For example, the union model of placing more value on (and basing compensation on) a seniority system, instead of individual productivity, does not benefit the most productive workers who may have less time on the job. Every worker gets the same raises and promotions at the same rate, regardless of individual performance.

This means a highly productive worker earns less than a colleague who may be much less productive but has worked there longer. And that high-performing worker is stuck earning the same as a co-worker who may be a poor performer simply because they are on the same bottom rung of seniority. There is no reward for the high-performer’s productivity.

How does that benefit every worker? The answer is that it doesn’t. Why should those high performing workers, who, without the constraints of a collective bargaining contract, could negotiate higher wages on their own based on their job performance, be forced to pay the union for contracts that are harmful to their economic interests?

The editorial board also buys into the union falsehood that they are forced by federal law to represent every worker, even those who do not pay.

This is not true.

Under federal law, unions are allowed to bargain solely for their own dues-paying members under a “members-only” contract. The benefits secured under these contracts apply only to dues-paying members.

Unions are only required to represent every worker, even those who don’t pay, if they take advantage of the option of “exclusive bargaining representation.” This monopoly bargaining option allows unions to represent and negotiate on behalf of all employees in a company, regardless of whether every employee wants that representation. But the union must also negotiate equally for all workers.

If a union decides against exclusive representation bargaining, it is not required to represent non-members. In that case only the members with a signed contract are required to pay dues and the union negotiates only for those members.

In practice unions almost always seek exclusive representation status, since it gives them a monopoly position in the workplace and

“I’ve negotiated my own salary and benefits at plenty of jobs before I started working for the state. And I’d be more than happy to do so again.”
- Mark Janus

more leverage to negotiate a better contract.

It’s a case of classic circular reasoning—unions choose to negotiate as an exclusive representative in order to reap the benefits it provides, then use that choice as justification for forcing employees to pay for that representation, and label reluctant workers who don’t want to pay for it as “free riders.”

Finally, *The Olympian* editorial board dismissed the legal challenge of *Janus v. AFSCME* as nothing more than union-busting, saying the “end game” of the Janus case “is to undermine membership in unions.”

That’s wrong. The end game is to protect the constitutional rights of public workers and give them a choice in whether they pay for representation.

In closing, *The Olympian* editorial board wondered “in jest” if workers who opt out of paying the union (assuming the Court rules in favor of *Janus*) should be denied the “benefits” negotiated by the union.

It’s actually no joke. WPC and other organizations advocate for such a “Worker’s Choice” policy that would release public employees from unwanted union representation and relieve unions from providing services to workers who do not want to pay union dues or agency fees.

Simply put, Worker’s Choice would enable public sector employees who opt out of union membership to represent themselves. They would negotiate their own wages, benefits and working conditions. Unions would have no duty to represent those employees and would negotiate separately on behalf of their members only.

This solution would benefit both workers and unions—it would eliminate the forced unionization of workers, and it would eliminate the “free rider” problem for unions.

Public sector unions would maintain their exclusive representation privilege, meaning only one union could organize employees in a unit, but the union would no longer be required to provide services to non-members as a condition of exercising that privilege. Non-members would represent themselves when negotiating wages, benefits and working conditions with their employer.

Mark Janus says he’s fine with that. He doesn’t want or need the “union benefits.” As he so succinctly puts it: *“I’ve negotiated my own salary and benefits at plenty of jobs before I started working for the state. And I’d be more than happy to do so again.”*



Why your property taxes are going up

By PAUL GUPPY, Vice President for Research

The new property tax increase

The state and elected officials in most counties and cities increase the property tax burden that they impose every year. Generally, the amount of the increase in the total property tax burden is limited to 1%, due to a law sponsored by Tim Eyman and passed by voters in 2001.

In 2018, however, state lawmakers voted to cancel temporarily the voter-approved 1% limit in order to impose a larger state property tax increase. The state-level tax increase is meant to be largely offset in two years by limits on local property tax levies.

Lawmakers said they were responding to the state supreme court ruling in the *McCleary* school-funding case. In all, lawmakers have raised taxes and added \$9.7 billion, a 75% increase, to education spending over nine years. Inflation over the period was 18%.

The impact of rising property taxes

The greatest impact will be felt in the state's most populous county, King County, closely followed by the state's two other largest counties, Snohomish and Pierce. The higher tax burden will result in a cut in household income for nearly every family living in these counties.

King County – Property taxes are increasing by an average of 17% in the county, adding about \$800 in tax on a median-valued home (estimated at \$509,000), for a total of nearly \$6,000 a year. This is the largest one-year tax increase since the county was founded in 1852.

In some communities, such as Milton and Pacific, the average tax bill will increase by over 13%. In Auburn, the average tax burden is increasing by 21%, or up by an average of \$850 in one year.

This largest-ever increase comes on top a steady rise in the tax burden covering two decades. Over a twenty-year period, property taxes in King County have increased from \$1.7 billion to \$5.6 billion, a rise of 230%. Inflation over the same period was 54%.

Snohomish County – Property taxes are increasing by an average of 16% in one year. A family living in an average-valued home will pay \$600 more, for a total reduction in family income due to property tax

of \$4,360. Families living in Lake Stevens will pay an average of 27% more, while taxes paid by people living in Lynnwood, Mountlake Terrace and Brier will increase by 20% or more.

Pierce County – Property taxes are increasing by an average of 11.5% in one year. County officials will collect a total of \$1.4 billion from property owners. The County Assessor is warning homeowners to be prepared for “sticker shock.”

Elected leaders can provide property tax relief

Property taxes do not go up automatically. In some cases, a property owner's tax bill could go down, thus increasing family income, if state or local officials choose not to impose large tax increases each year.

An expanding economy means that all sources of tax revenue are increasing, allowing officials to reduce revenue in one area (property tax collections), while still receiving revenue increases from other sources (sales tax, permit fees, the Real Estate Excises Tax, businesses taxes, and new construction, for example.).

In areas where elected officials worry about the impact of rising taxes on family incomes, they can cut the property tax or keep total tax collections flat. When that happens, many homeowners receive significant tax relief because more of that year's limited total tax burden is paid by the rising value of new construction and by high-value commercial properties in the same area.

A policy of tax burden reduction also helps elderly people living on fixed incomes, who may be “house rich,” according to an assessor's valuation of their property, but “cash poor” because Social Security or pensions do not automatically increase to match the rise in their property tax bill.

A further benefit of tax relief is that limiting or reducing the state and local tax burden allows more households to deduct the full cost from their federal taxes. Congress has capped the state and local tax deduction at \$10,000 per household. State and local officials who work to keep the combined tax burden they impose below this level are helping tax filers receive the full value of the federal deduction.

to read the complete Policy Note, visit washingtonpolicy.org

State supreme court hears second WEA lawsuit against charter school families

By LIV FINNE, Director, Center for Education



Michelle Antwi, a 5th grader at Rainier Prep in Seattle, speaks in support of charter schools on the steps of the Washington Supreme Court

On May 17th, I drove to Olympia to hear the state supreme court consider oral arguments in the WEA union's second lawsuit to close charter schools, and shut out nearly 2,500 mostly low-income, minority students from having a better future.

During the hearing, Judge Debra Stephens and Judge Barbara Madsen appeared to be the most hostile toward charter school families. They referred to a 1909 case (called Bryant) that may become their reasoning for voting to close charters. Former state Attorney General Rob McKenna, representing charter school families, argued that Bryant does not apply to the state's charter school law.

After the hearing, about 1,500 charter school students and family members and their supporters gathered on the north steps of the Capitol Building, facing the Temple of Justice. Their message was clear: "Supreme court judges – please don't close our schools."

One student, Michelle Antwi, a 5th grader at Rainier Prep in Seattle, said she has a dream to attend Harvard and become a doctor (she is the girl with the pink hair-band in photo). She said:

"Rainier Prep [charter school] is showing me how to be a scholar and a leader – from participating in Student Parliament, to engineering projects, to STEM programs for girls like TechBridge... We deserve to have public school options that will help us succeed."

Jalen Johnson, an 11th grader at Summit Sierra charter in Seattle, said he wants to attend U.C. Berkeley. He said he was not a strong student when he enrolled two years ago, but now has a 3.9 Grade Point Average. He said:

"As a black student in the public education system, historically and systemically, the odds are not in my favor. I see myself and other students of color thriving at charter public schools. Our success should be the norm, not the exception, and for me and so many kids like me, charter public schools provide exactly that – an opportunity to succeed."

The supreme court has tried to close charter schools before. They agreed with a union-led lawsuit against charter school families that closed their schools just as the school year began in September 2015. A bi-partisan vote in the legislature reversed the ruling, but WEA union executives haven't given up. In a cynical and mean-spirited effort, they are pressing the justices to shutter charters again.

We'll see what happens. A ruling in the case is expected this summer. A court ruling against charter school families would be a shocker.

If that happens the timing couldn't be worse. In an already-contentious political year, many candidates may not welcome the injection of a entirely new issue – highly energized and motivated parents trying to save their schools – injected into the fall campaign season.

WPC's Center for the Environment:

GOING NORTH

Bringing lessons on environmental policy from Washington to Canada

By **TODD MYERS, Director, Center for the Environment**

The advantage, if you can call it that, of living in Washington state is that we are forced to grapple with the Left's environmental agenda before it hits people in other places. Which is why I spent a week talking to elected officials across Canada, discussing the political and policy challenges of carbon taxes and how to offer an alternative, technology-based environmental approach.

Based on our work in Washington state to highlight the costly tradeoffs of carbon tax increases, the Canadian Taxpayer Federation (CTF) invited me to visit with elected officials in the federal parliament in Ottawa, and the provincial governments in Ontario and Saskatchewan. As part of the tour, CTF distributed copies of my book to more than 200 donors and elected officials. I was welcomed warmly and was recognized by the

Saskatchewan parliament during their session.

As in Washington state, left-wing governments across Canada find themselves caught between their ideology and the reality of their policies.

In Ottawa, the left-wing Canadian government implemented an unpopular carbon tax as part of a pledge to meet the CO₂-reduction targets of the Paris Climate Accord. Beginning this year, the carbon tax will start at seven cents per gallon of gas, rising to 34 cents per gallon in 2022. Officials hope this will be enough to meet the aggressive CO₂ targets they set for themselves.

The tax is already taking a toll on the Liberal party's popularity. They recently fell 16 percent behind the Conservatives in a national poll, a

turnaround from an eight-point lead Liberals enjoyed a year ago.

In the province of Ontario, the situation is simply strange. Having adopted a cap-and-trade system for the province, which adds about 12 cents to a gallon of gas, the government realized the high costs were unpopular. So, officials prohibited utilities from listing the tax on customers' bills. Then, the government actually borrowed money to subsidize the additional cost of home heating to further hide the cost they had imposed.

This is bizarre. The purpose of raising the price of fuel is to encourage people to use other sources of energy that emit less CO₂. The price signal provides an incentive to conserve and switch. The government of Ontario, however, undermines its own policy by hiding the cost on bills and then using subsidies to cut the

cost of energy, so customers don't have to change behavior. They don't even believe in their own policy.

In Ottawa, I met with the environmental policy team for the Conservative party, including the man who would become Environment Minister should the Conservatives win power next year. Our focus was on finding ways to help Canadians save energy and money without adopting punitive policies. One key I presented is to give people the information and ability to conserve.

For example, we have all witnessed long gas lines at Costco as consumers line up to save twenty cents a gallon. Everyone knows the price of gas and we all look for ways to conserve. The same isn't true for utility bills. Do people know how

much they pay per kilowatt hour of electricity? Per therm of natural gas? For the vast majority of people, the answer is "no." Without a clear idea of costs, it is difficult to know what steps would meaningfully cut your energy bill.

Rather than raising the cost of energy, conservatives should help the market work more effectively, making costs transparent so families can identify the most effective ways to save energy. Providing consumers with more information is an opportunity to have individuals and companies succeed where government has failed.

One policy analyst I met in Ottawa commented, "There really appears to be an untapped opportunity in providing information to individuals and corporations that

are keen to either reduce their costs or promote their green credentials that will allow them to make these decisions for a lower cost." Innovation, rather than coercion, would guide environmental policies.

The fight over carbon taxes and effective environmental policy will play out over the next year in Canada. The work we've done in Washington state to highlight the failures of the Left's approach is being noticed and our work will not only improve the lives of Washington residents, but can provide guidance for others looking for a better environmental direction.

Todd's trip led to a featured op-ed in The Financial Post, which is available on washingtonpolicy.org



Todd Myers in front of the Canadian Parliament building

STATES CAN IMPROVE HEALTH CARE DESPITE OBAMACARE

– A report on the WPC National Health Care Reform Project

By **ROGER STARK, MD, FACS**, Policy Analyst, Center for Health Care

President Trump and nearly every Republican member of Congress ran for office in 2016 on the platform of reforming or repealing the Affordable Care Act (ACA), also known as Obamacare.

The U.S. House of Representatives passed a health care reform bill in May 2017 which would have been the beginning of repeal of the ACA. Leadership stated this was the first of three phases. Phase two was to be executive-order changes to the ACA that the Trump Administration could make on its own.

The executive orders involved changes to the ACA according to the 1,400 “Secretary shall...” provisions in the law and potential administrative alterations that Democrats wrote into the original law. Phase three would hopefully be bipartisan, long-term solutions for the country’s health care system problems.

... virtually every person with health insurance in the United States has experienced a loss of choice and a significant increase in insurance premiums.

The U.S. Senate considered several specific reform bills, but fell short of 51 votes to pass any legislation in 2017. With Congress being unable to pass its own health care reform legislation, the administrative changes and potential state-level changes to the ACA took on more importance.

WPC’s Center for Health Care realized Congress would be unable to pass meaningful health care reform at the national level. Therefore we undertook a research project to determine what the federal administration and state officials could do outside of the ACA to achieve needed changes to the law. We applied for a grant to support the project and received substantial financial assistance from a national foundation.

We published a comprehensive study, “Administrative Improvements to the Affordable Care Act and State Options for Health Care Reform” in January 2018. We then contacted other free-market think tanks around the country and offered to partner with them in presenting the information to their elected officials and community members.

The federal administrative changes to the ACA and other actions that we recommend include:

- Encourage state waivers with innovative reform ideas;
- Redefine the “essential health benefits” in every ACA plan;
- Expand the use of short-term, limited-duration health insurance plans;
- Discontinue the cost-sharing reduction subsidies in the ACA exchanges.

Each state has different economies and demographics, but they all face the problems of increasing costs and decreasing access to health care. Our policy recommendations for state reform include:

- Seek federal waivers to opt out of various parts of Obamacare;
- Meaningful Medicaid reform;
- Expand the use of association health plans;
- Promote telemedicine;
- Encourage direct primary care;
- Tort reform;
- Establish a reinsurance or high-risk plan for high-cost patients;
- Repeal Certificate of Need laws;
- Decrease benefit and provider mandates imposed on health insurance plans;
- Review scope of practice laws;
- Resist state Medicaid expansion if it is not already in place.

OBAMACARE RULES LOCK UP HEALTHCARE CHOICES.

GET FREE.



Waivers can set your state (almost) free.

We presented our Policy Brief to elected officials in our state. Two of our recommended policies, Medicaid reform and a reinsurance program for high-cost patients, were put into bill form in the 2018 legislative session. Although neither was passed into law, the reinsurance bill had substantial, bipartisan support.

Thus far in 2018, I have traveled to Idaho, Alaska, Michigan, and New Mexico to discuss our recommendations. Along with members of the respective state think tanks, we met one-on-one with state legislators in Boise, Juneau, and Lansing. I gave local and state-wide radio interviews in Alaska and New Mexico, participated in newspaper editorial board interviews with The Albuquerque Journal, and gave for-

mal presentations to community groups in all four states.

Nevada, Alaska, and New Mexico state think tanks co-branded our study and released the information in their respective states.

A number of other states have expressed interest in our project and have used our information in seeking state-based health care reform.

In spite of the 20 million “newly” insured (half of whom were forced into the Medicaid entitlement), Obamacare has been a clear policy failure. Except for the enrollees in the Medicaid program, virtually every person with health insurance in the United States has experienced a loss of choice and a significant increase in insurance premiums.

Millions of people have lost insurance plans they liked, lost access to their doctors, and have seen their deductibles go up. Access to health care is a growing problem, especially in the Medicaid and Medicare entitlement programs. Just having health insurance on paper is no longer a guarantee of getting necessary health care services in a timely fashion.

With Congress unable or unwilling to pass health care reform, federal administrative changes and state-based reforms like those we recommend take on even greater importance. WPC is grateful for the support our health care reform project has received and is looking forward to continuing to share this information across the country.

The Free Market will reform healthcare (if we let it)

The two largest problems with health care are ever-increasing costs and timely access. Seattle is now a hotbed of technology innovation, so it is no surprise that a tech-oriented startup company in Seattle is offering one solution to cost and access.

On a variation of telemedicine, the company, 98point6, offers an app that allows adults to consult with doctors on a 24/7 basis via smart phones and other devices. The company currently operates in ten states and plans to expand into all 50 states by the end of the year.

The initial cost for the patient is \$20 for the first year, increasing to \$120 per year thereafter.

The app takes the place of an actual in-office visit, saving both time and money for the patient who needs primary care. This is a variation of direct-primary-care, which is an expanding alternative to traditional doctor visits for thousands of patients. Innovative companies such as 98point6 become even more important with the looming doctor shortage in the U.S.

As in other areas of life, the free market can actually work in health care as long as government doesn't over regulate and stifle creative solutions.

- Dr. Roger Stark

Tri-City Herald

Errors and arbitrary assumptions plague study on replacing energy from Snake River dams



By **TODD MYERS**, Director, Center for the Environment

Originally published in *The Tri-City Herald*

What will it cost to replace the electricity from the four Lower Snake River dams? A study from the left-wing NW Energy Coalition claims it will be cheap and easy, which they say is good. It also claims it will be expensive, which, they also say is good.

The NW Energy Coalition study offers several scenarios, but the only one that comes close to replacing the lost electricity at a reasonable price is called “Balanced Plus.” As part of that scenario, it claims we can add 1.7 million megawatt hours (MWh) of electricity from solar power in Idaho. That is as much solar power as Texas and Utah currently produce, combined. It is 57 times as much solar as is produced in Idaho currently.

Even that is still less than 20 percent of what is needed. We would also have to increase total wind production by 4.8 million MWh annually. This is more than is produced by either Virginia or New York.

Adding that massive amount of wind and solar still doesn’t get us back to even. We still end up with less electricity than we have now.

After pointing this out, the NW Energy Coalition argued I was incorrect. After providing the section of their own study with the data, they admitted I was right. Suddenly, however, the higher cost was a benefit because it creates jobs. By this logic, we should also begin destroying windmills so we can turn around and replace them to create jobs.

The purpose of the study, of course, is to demonstrate that replacing the electricity is inexpensive. When that was wrong, they quickly shifted their argument, even though it is the opposite of the original claim.

There are other problems as well.

According to the study, destroying the dams would increase CO₂ emissions, even under the scenario that replaces them with wind and solar. The study notes that the Balanced Plus scenario would increase CO₂ emissions by 326,928 metric tons annually. This is the equivalent of adding 70,000 cars to the road.

Destroying the dams would take us backward on carbon emissions.

The study also argues the additional cost of electricity would be low, adding only \$1.28 per month, per household. There are a few problems with this claim.

First, the study spreads the additional cost over the entire four-state region of Idaho, Montana, Oregon, and Washington. They assume people in Billings, Medford and Bellingham would all be paying extra for energy they don’t use. That isn’t how it works in the real world. Regulated utilities cannot simply pass along costs to other utility districts or states. In reality, some customers will see costs go up much more than is claimed in the study.

Second, their cost estimates are very low. Citing a study from Lazard, they estimate solar energy will be less

expensive than natural gas when the dams are destroyed.

However, while the NW Energy Coalition study assumes solar will be added in Idaho, the Lazard study assumes solar will be added “in a high insolation jurisdiction (e.g., Southwest U.S.)” This is a major flaw. According to the National Renewable Energy Laboratory, the highest level of solar potential in Idaho is equal to the worst solar potential in Arizona. This error skews the cost of solar energy in the study by about 30 percent.

Additionally, the Energy Information Administration disagrees with the Lazard estimates, claiming the solar will cost about 30 percent more than natural gas.

The NW Energy Coalition hopes people will believe its study reflects reality, but there are many problems.

It assumes Idaho can add as much solar as Texas and Utah combined. It fails to replace all the electricity from the dams. Carbon emissions will increase. It misquotes the studies it cites, and then unreasonably claims costs will be shared by people who will never actually use the electricity.

Decisions as important, and irreversible, as destroying the dams require a more accurate accounting than the study offers. Although it turns out this won’t be a useful tool for public policy guidance, it illuminates the lengths some will go to in order to push an agenda even when the data is not on their side.

Washington taxpayers and farmers lose in trade war



By **MADI CLARK, Director, Initiative on Agriculture**
Originally published in *The Tri-City Herald*

It was 1980, and my grandpa, an agricultural economist with the U.S. Department of Agriculture, had just retired from the Washington D.C. office. One week later, on Jan. 4, 1980, President Jimmy Carter placed a grain embargo on the Soviet Union because of the Soviet army's invasion of Afghanistan.

Joking aside about my grandpa's perfect timing in dodging an international crisis, the lesson I learned was that in trade wars, all sides lose.

Our family story goes something like this: Grandpa visited his former co-workers' office shortly after the embargo was announced. Everyone was running around in a panic, and it was already estimated that for American farmers it would have been cheaper to fill a battle ship with wheat and sink it in the Atlantic than to implement the embargo.

The government suddenly had to find a home for \$2.6 billion worth of grain. Farmers suffered from price decreases, and market share was lost as the Soviets found other trading partners and developed their domestic markets. Ultimately, the grain embargo did nothing to prompt the Soviets to pull out of Afghanistan, which they did for their own reasons nine years later.

In 2018, President Trump announced steel and aluminum tariffs against China and other countries, and he has mentioned plans for more tariffs on \$60 billion of Chinese goods. Why? Because the administration believes protectionism will stop intellectual property theft better than pursuing enforcement under the existing and legal framework of the World Trade Organization.

With our historical experiences, why would we think the U.S. is better off to embark on another trade war?

The short answer is ... we are not better off.

Chinese officials have already said, "We will certainly take countermeasures of the same proportion and of the same scale, same intensity." On April , the Chinese government announced tariffs on 128 products, including fresh fruit, dried fruit, nuts, wine and pork.

Unfortunately for those in agriculture, it comes as no surprise that farm products made the list. Agriculture Secretary Sonny Perdue said, "As is the case with China, agricultural products are often among the first to be targeted in retaliation. The administration stands ready to defend agricultural producers who may be harmed. As we take a stronger approach to the way we handle trade as a nation, we will use all of our authorities to ensure that we protect and preserve our agricultural interests."

But this "stronger approach" hurts farmers at a time when farm incomes are low, and it is likely to make American farmers even more dependent on federal farm subsidies. Farmers will also lose recently developed Chinese markets to other competitors.

Washington state, as one of the most trade dependent states in the nation, will only be worse off.

Washington is the third largest exporter of food and agricultural products in the nation. One of our top exports is fresh fruit, a commodity targeted by the Chinese tariffs. In 2017, Washington shipped \$18.2 million worth of product to

China, accounting for 23.7 percent of Washington's exports. Washington ranked the highest in total value of exports to China and only two other states have a higher proportion of their exports bound for China (New Mexico and Alaska).

A recent study by the Brookings Institute shows Eastern Washington will be one of the most affected regions in the country due to the Chinese tariffs. The study examined the concentration of jobs involved in the industries targeted by the tariffs.

Not only will farmers and the agricultural workers be hurt by the tariffs, so will all Washington's taxpayers. Washington state citizens can view the beginnings of this trade war as a future tax increase. Washington state's revenue forecast in February was higher than expected, justifying an immediate property tax cut by the 2018 legislature. However, the revenue forecast stated, "Risks to the baseline include stock market volatility and concerns about international trade and fiscal policy."

If tax revenue decreases due to a trade war, taxes will be increased to make up the difference.

Instead of starting a trade war, perhaps the administration should consider the merits of enforcing World Trade Organization regulations. There are provisions under the WTO that would allow U.S. companies to protect their intellectual property without undermining global trade by entering this damaging trade war. That would benefit the U.S. economy as a whole and leave Washington state better off.



On April 23rd the Young Professionals Club at Gonzaga University put on their first flagship event that drew in over 300 students. The event was designed to educate students on two sides of an argument: Which is the right direction for America, more government or less government?

Going against the grains of culture, this event showed students, community members, and school faculty that the art of conducting civil debates is still possible in today's political climate. The debate educated and empowered students by modeling the benefits of engaging in discussion with the desire to learn and to listen.

"Our main objective was to demonstrate how it's possible to discuss controversial topics constructively," said Tessa Shelton, Washington Policy Center's Young Professionals Club President at Gonzaga. "It doesn't happen very often. Usually campus speakers come and preach to the people who agree with them, and we never get to see a discussion."

To ensure the debate's success, strategic thought was put into planning speakers for each panel. On the side of more government was Zach Carter, HuffPost's senior political economy reporter. He was paired with Michael Treleaven, chair of the political science department at Gonzaga. On the less government side was Tim Carney, economist at American Enterprise Institute. His partner was Dr. Donald Hackney, associate professor of business at Gonzaga. Local TV news anchor, Nadine Woodward, moderated the debate.

Energy filled the room as students anticipated hearing from their professors who were put on the spotlight. Other than occasional audience laughter, the room remained silent and respectful as each panel presented arguments.

After opening statements, Nadine posed a series of questions centered around climate change, college tuition, health care, minimum wage, and tax reform. After that, the floor was opened to audience questions.

Following the debate students were asked to fill out survey forms. If the atmosphere of the room didn't prove the event's success, surely the results do:

When I think about the future of America, I believe we should have.

- 16% more government
- 73% less government
- 10% about the same
- 1% n/a

The winners of tonight's debates were the panelists on the side of:

- 13% more government
- 56% less government
- 29% about the same
- 2% n/a

After hearing the arguments presented on each side tonight, I am now more open to another point of view:

- 60% agree
- 36% disagree
- 4% n/a

The arguments presented at tonight's debate are arguments I have never heard before on a college campus:

- 57% agree
- 40% disagree
- 3% n/a

*Out of 121 Surveys Submitted
*n/a - unanswered questions

The Debate was featured on the front page of *The Gonzaga Bulletin* under the headline, "Washington Policy Center brings unbiased debate on mainstream issues to campus." Days later, the event was featured in *The Spokesman Review*, by columnist Sue Lani Madsen who attended the debate. Her concluding paragraph says it all:



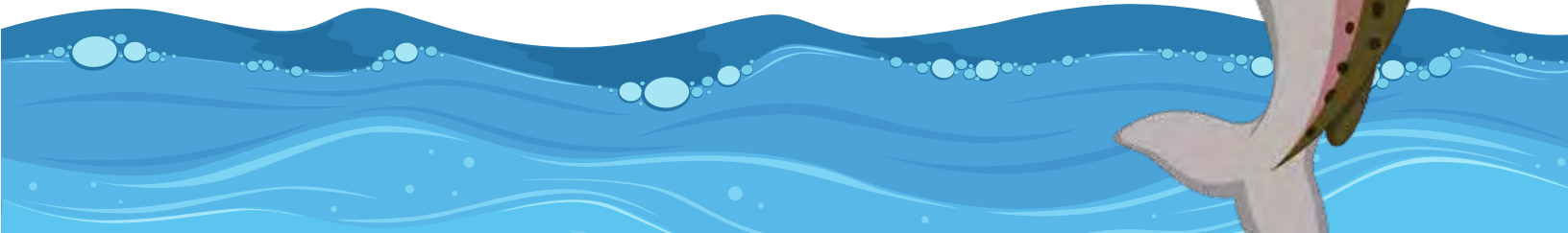
“Less demonizing, more seeking common ground. The WPC Young Professionals nailed it.”

- Sue Lani Madsen, The Spokesman-Review

What's the dam problem?



WASHINGTON POLICY CENTER
Learn more at washingtonpolicy.org

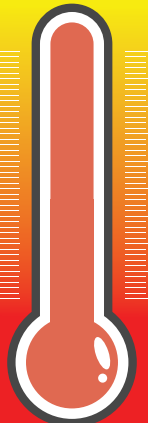



According to a NOAA Fisheries assessment, dam removal could cause harmful effects...



Sediment could increase dramatically

Maximum summer water temperatures could increase

Juvenile fish could see increased predation

NOAA Fisheries has noted the lower Snake River dams "are very close to achieving, or have already achieved, the juvenile dam passage survival objective of 96 percent for yearling Chinook salmon and steelhead...." Destroying these dams may gradually increase fish populations – but there are uncertainties.

High costs for dam removals, however, are certain. We lose:

- carbon-free energy sources
- shipping
- recreational and other benefits

Before policymakers assume dams must be removed, the tradeoffs between tenuous gains in fish populations and certain losses elsewhere must be weighed.

This ad originally was published in the Tri-Cities Area Journal of Business

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For any questions about membership please contact WPC's Development Director, Sydney Jansen, at sjansen@washingtonpolicy.org or (206) 937-9691.