

COUNTERFLOW

BY STEVE HUNTOON

Anatomy of the New Cash for Clunkers

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Those of us who dwell in the economic/regulatory/public policy realm wonder about the origins of atrocious public policy. Where did it come from? Whose awful idea was this?

In the case of the Department of Energy's Cash for Clunkers proposal, we pretty much know.

Robert Murray, owner of the coal mining company Murray Energy,¹ was a large fundraiser for candidate Donald Trump during the campaign.² After the election, Murray had a couple of meetings with President Trump at which the president promised Murray to do whatever he (and FirstEnergy) wanted Trump to do. I'm not making this up.³ (See excerpt, right.)

What Murray wanted was for Rick Perry, the secretary of energy, to declare an emergency on the electric grid so that FirstEnergy would keep buying a lot of coal from Murray's coal mining company. Again, I'm not making this up.

Now it seems that pesky government lawyers figured out that the supposed basis for such an action, Section 202(c) of the Federal Power Act, couldn't possibly justify that. "The White House and the Department of Energy are in agreement that the evidence does not warrant the use of this emergency action."⁴

At this point, a lot of us naively assumed it was safe to go back about our business. We were wrong.



Huntoon



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Mr. John D. McEntee III
Special Assistant and Personal Aide to the President
The White House
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Washington, D.C. 20502
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Dear Mr. McEntee:

Last evening in Huntington, West Virginia, after President Donald Trump met briefly with Mr. Charles E. Jones, Chief Executive Officer of FirstEnergy Corporation, and the undersigned, he turned to you and said "tell Cohn to do whatever these two want him to do".

Somebody came up with Plan B (or more like Plan 9) of using an even more obscure federal statute to tell FERC to have a rulemaking to subsidize the coal and nuclear clunkers in the country. So here we are.

It's as simple and sad as that.

¹You may remember Robert Murray from the Crandall Canyon Mine collapse in which six miners and three rescuers perished, <http://www.nytimes.com/2008/05/09/us/08cnd-mine.html>; <http://www.cnn.com/2008/US/07/24/mine.collapse/index.html>.

²<http://thehill.com/policy/energy-environment/284261-coal-executive-to-hold-fundraiser-for-trump>; <https://www.opensecrets.org/news/2017/02/murray-energy-record-giving-2016/>.

³<https://assets.documentcloud.org/documents/3936141/Murray-s-letters-to-Trump-administration.pdf>.

⁴<https://www.eenews.net/stories/1060059081>.



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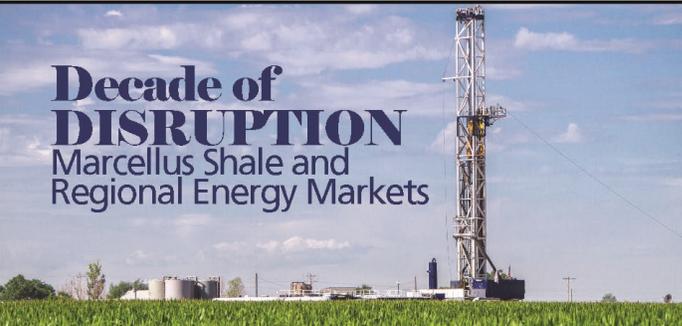
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