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Our Atmosphere: “Free-Riding” and the “Tragedy of the Commons”

There is nothing simple about developing a strategy to reduce greenhouse gas emissions and, hopefully, stabilize the earth’s climate. But sticking our heads in the sand and ignoring the problem certainly does not help us develop such a strategy. Federal land management agencies that are in charge of the development of federal energy resources, however, have adopted exactly such a “head in the sand” approach.

As the natural gas drilling boom spread across the American West over the last decade, bringing a thick haze of pollution over major gas fields in Wyoming and elsewhere, environmental groups have asked those federal agencies to at least consider, as *one* of the environmental impacts, the contribution the burning of that new natural gas, as well as federal oil and coal, would have on climate change.

The federal land management agencies have responded with what they think are convincing arguments against doing so. First, they argue, that if a particular natural gas field or a particular coal deposit is not leased to some energy company, the natural gas and coal companies will simply go to some other area and get the natural gas or coal. Since there is a huge range of alternative sources of coal and natural gas, refusing to lease any particular site, they say, will have no impact on the amount of coal and natural gas that actually gets burned. In that sense the combustion of the particular fossil fuel deposit at issue has almost a zero impact on the total greenhouse gases released.

In addition, federal land managers also argue that since global warming is, by definition, a *global* problem, the climate impacts will vary across time and geography.

For that reason specific impacts at a specific place associated with proposed coal mining or natural gas extraction cannot be analyzed with any certainty. There is no way to assert that a particular climate impact will be felt at any particular location. End of environmental impact discussions.

Similar arguments are being made by the proponents of west coast coal terminals to facilitate the export of Montana and Wyoming coal to China: If the Chinese do not get the coal from us, they will simply get it from someone else. Thus, we are told, our facilitating the export of hundreds of millions of tons per year of our coal to be burned in China actually has no impact on the release of greenhouse gases and climate change.

There are some practical economic problems with these assertions. The bulk of the natural gas production boom in the Western state has been on federal lands for the simple reason that the federal government controls so much of the land base in the West. About 80 percent of the Powder River Basin coal fields in Montana and Wyoming, the nation's largest, most productive, and lowest cost coal sources and one of the world's largest coal reserves, are also federally owned. In that sense the federal government controls a significant part of the natural gas and coal supply. Restricting the availability of these supplies that are huge in the aggregate would certainly have an impact on the national supply of natural gas and coal. That in turn would raise the price of those fossil fuels and discourage their use, encourage improvements in energy efficiency, and reduce the volume of greenhouse gases being released.

To assert that allowing energy developers to burn all of the federal coal and natural gas reserves that those energy companies find profitable will have no impact on

the total volume of greenhouse gases released is simply not true. That is why the “drill, baby, drill” refrain has been pushed by both Bush and Obama. They want to enhance American energy supplies in order to keep fossil fuels cheap and voters happy.

What the federal land management agencies have been doing is behaving as the classic “free-rider.” Given that there are literally billions of energy consumers around the world who are pumping greenhouse gases into the atmosphere, each and every one of them can honestly assert that if they individually stopped consuming fossil fuels, it would have no significant impact on the trajectory of global climate. In that sense, as a factual matter, the energy consumption of any particular individual does not matter even though it matters a lot what we collectively do as energy consumers.

The earth’s atmosphere is a classic open access common property resource. If we act in a way that is in our individual self-interest, we will each ignore the tiny impact we each have, and the “Tragedy of the Commons” will unfold, making us all worse off as the global atmosphere that we all share and rely upon deteriorates and makes all of our lives more miserable.

That historically has not been the inevitable outcome in open access common property situations. Instead, across much of our history on this planet, we have found ways of cooperating to control our combined impacts by agreeing to mutual restrictions, mutually agreed upon. Those cooperative agreements have taken many forms: shared ethical and cultural values, socially approved patterns of behavior, simple good manners, voluntary cooperative agreements, best practices, and, yes, laws governing our behavior so as to limit destructive impacts on our neighbors and ourselves.

That is just another way of saying that we have found ways of acting together and constraining the narrowly rational impulse to be a “free rider.” That is also what is so disturbing about federal land managers acting as the ultimate free riders and denying that encouraging unlimited extraction and combustion of fossil fuels has significant environmental impacts. That is patently factually false. It is also demoralizing to all of the households, business firms, non-profit organizations, and state and local governments that are making serious efforts to reduce their carbon foot prints. They are acting as good world citizens in situations where they have far smaller impacts than do federal land managers. These citizens are trying to be the opposite of free-riders. Meanwhile, their very government is implicitly laughing at their “irrational and insignificant efforts” and acting to undermine any impact these citizens might collectively have on our common future.