

# Skidaway Island Republican Club **MAGAZINE**

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2020 ISSUE NO. 1

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## 2020 ISSUE 1 CONTENTS

### **PRESIDENTS DAY DINNER - February 17 - U.S. Representative Doug Collins**

The featured speaker is (Ranking Member, House Judiciary Committee) exposed the weaknesses of Democratic effort to Impeach the President, despite no evidence to do so. Cost is \$150 per person for this key fundraiser for the crucial 2020 national election. Reserve now – before this event sells out! Advance reservations and payment required. Mail or tube check (payable to SIRC) to Darryl Brown (3 Seafarer's Circle), or make a reservation at [dbrown@modenaway.com](mailto:dbrown@modenaway.com); or phone: 598-7321

**SIRC MEMBERSHIP SURVEY** - Look for our email asking for feedback on a number of issues. Respond electronically by clicking on the survey, or fill out two page survey being mailed with the dues notice, and send in with your check. Thank you for helping with our planning process on seminars, publication topics, and types of SIRC offerings in the future.

### **TRUE PERSPECTIVES SEMINARS**

**Georgia Bureau of Investigations** - GBI Director Vic Reynolds outlines the challenges ahead for combatting crime in Georgia. See page 2.

**Georgia Legislative Update** - Head of the Georgia Senate Butch Miller outlined the successes in Georgia lately, and some challenges ahead. See page 3.

**Savannah Mayor's Report** - He lost his bid for reelection in a December runoff, but Eddie DeLoach gave an excellent accounting of his record as Savannah Mayor. See page 4.

**Homeland Security** - Michael Imperatrice, Southeast Georgia Director gave an insightful overview of the national threats, and what's at risk locally. See page 5

**OTHER SEMINARS** - Savannah Council on World Affairs' two very topical seminars: How to secure the border, and Coping with China's soaring world dominance. See page 6.

**GLOBAL WARMING - Is It Of Dire Concern?** Origins of the UN plan to demonize CO2, and flaws in the thesis that catastrophic warming is close at hand. There are countervailing scientific theories of why the earth has warmed, between long glacial periods. See pages 7 - 9.

**REPLACING THE AFFORDABLE CARE ACT IN GEORGIA** - How a state can implement the two principal goals of ObamaCare: guaranteed access and subsidizing pre-existing conditions, while preserving the efficiencies of the competitive market. Don't let ObamaCare be a prelude to a disastrous Medicare-For-All. See pages 10,11.

### **FUTURE EVENTS**

January 14 - Candidates for Chatham County Chairman - Jason Buelterman and Billy Hair  
February 17 - Presidents Day Dinner - Featured Speaker: Rep. Doug Collins.  
March 18 - Candidates for U.S. Congress, District 1 - Buddy Carter & Daniel Merrit



D. Victor Reynolds, new head of the Georgia Bureau of Investigation (GBI) under Governor Kemp, gave a summary of the major activities for the thousand agents in Georgia today. Before his appointment in February this year, Reynolds had a long career first as a policeman, then a judge in Cobb county, two terms as the elected District Attorney in Cobb County.

He stressed that Georgia is very diverse, with three distinct environments: the mega urban area of Metro Atlanta, to much smaller but still urban cities like Savannah, Columbus, Macon and Augusta, and finally a huge rural population in the state that is the largest in area east of the Mississippi River.

Next he covered the various specialties of the GBI – they base agents in 15 regional offices covering the 159 Counties in Georgia. Another feature is the SIAC focusing on aggression against children, where a recent bust corralled 32 child abusers. This was accomplished by observing individuals courting young teenagers to likely commit sex crimes. They meticulously tracked them and suggesting a locale where the victim was supposed to meet them, but the targeted probable perpetrators were confronted by awaiting agents instead.

Another sector is a unit specializing in drug monitoring and maintaining of crime labs.

## Street Gangs

This is an emerging major problem, with an estimated 70,000 members statewide at large. One of the gangs is called “Ghost Face” an all-white gang luring young students to join, with violent crime as a major activity. Another is an offshoot of the national CRIPS gang, of /CRI? PS vs.BLOODs gangs..

## Human Trafficking

This is another expanding threat, with victims as young as 13 being targeted. When suspicious persons are stopped for other reasons, such as speeding, the drivers lie about who is with them, claiming sometimes the person in the back seat is their fiancée. When separately questioned, the young female, often without shoes, will admit the relationship is not legitimate, sometimes admitting the male is their “owner”.

When monitoring suspicious activity at hotels or motels in the area, numerous male “customers”? Are seen entering and exiting a hotel or motel room after not much time inside. When confronting the motel managers, they merely say it’s not their business to monitor what goes on inside a rented room. When DA’s have threatened lawsuits, the managers often then cooperate to apprehend the human traffickers.

Another way to attack this overall problem is to start charging the customers with fines and publishing their names. (Editor’s note: Major Giuliani of New York started doing this first by impounding the “john’s” cars in Manhattan and then releasing their names to the communities in the suburbs where they lived.)

## Q&A Session

The major focus was on the possible causes and preventive measures for young people to join gangs. Can school officials alert police authorities of boys seeming to be overly ripe to join gangs. This can be as early as fourth grade, where parental discipline is virtually nil.

This is not a GBI issue at the outset, but some monitoring should be done locally. At a number of schools, there are officials assigned to be observant, and counseling should begin on those identified vulnerable young students.





President Pro Tempore of the Georgia Senate Butch Miller gave a perspective on the current legislative prospects for the state of Georgia, and the current political outlook for the state. His role is the equivalent of Chuck Grassley's in the U.S. Senate. Georgia Senate Republicans hold a 31 to 21 lead over Democrats now, and are aggressively recruiting new candidates to press Democratic incumbents in tenuous districts for them. While losing some House seats in the last mid-terms, Republicans are still likely to hold a five-seat plurality in the House. And the GOP has all the constitutional officers in Georgia, which is not true in a lot of other states, so Georgia is still quite red. The Democrats, however, are making an effort to turn it purple if not blue. (Stacey Abrams came quite close last gubernatorial election.)

Fiscally the state is in excellent shape, with a targeted reserve fund of over \$2 billion. Eight years ago, it was only \$120 million.

Governor Kemp is now proposing some cuts in non-crucial spending, so the future is even brighter. Of course, that all depends on keeping the tax-and-spend Democrats from the seats of power. Republicans have quite a different view of the purpose of government: have it create an *environment* so that jobs can grow in the private sector. Do not increase the size and influence of government, which is hard to pare back.

With a successful economy and opportunity, there is a likelihood that Georgia can grow its population some four million over the next ten years. So, it is crucial that jobs continue to be encouraged from businesses moving and expanding here.

The Democrats instead push free healthcare and taking away guns. These are the policies that helped Venezuela go from the second largest economy in South America to a socialist failed state that it is today.

### Republican Priorities

Recognizing that the world's economy affects ours and that we need to compete in exports, the Port of Savannah is a primary strength of Georgia, now competing with the West Coast and with the Northeast as an export powerhouse.

Another priority is to bring broadband access to large areas of rural Georgia, spurring the chances of job creation there. Georgia already has close to full employment, with an unemployment rate of 3.6%, and last quarter at 2.9%. Virtually everyone who wants a job can find one here. For a potential four million expanded population, we need an environment that can supply the jobs that they seek when moving here.

Infrastructure improvements include not only roads and bridges, but rail and port and even expanded airport facilities, particularly in rural areas for general aviation.

As for the threats from China, one adverse one for Georgia has been the diversion of capacity to the Gulf Coast. This could provide easier access to Mexican imports from China sending raw material there to avoid the tariffs.

Almost 40 years ago the threat was from Japan beating us on trade, but Ronald Reagan made the U.S. aware of job loss to them, and caused a renewal of "buy American" sentiment that had a big effect. In fact, Japan is still suffering from that diversion towards American-made products.

### Q&A Session

At the conclusion of his very informative review of the legislative situation in Georgia, (we in the SIRC are very fortunate to have the opportunity to hear such an expansive presentation by top leadership from the State), Mr Miller took questions.

Q1. To counter the loss of state revenue from sales taxes due to internet expansion, what is the state's view of expanding the base to services, like Tennessee is planning?

A1. That is now under consideration.

Q2. What are ways to expand turnout in GOP voters, given the influx of more Democratic votes in Georgia?

A2. Two things: bring a friend to the polls. Stress that the GOP is actually a better home for what some traditional Democrats claim as loyalists, e.g. Hispanics, who actually have strong family beliefs and rely on freedom of religion.



Savannah Mayor Eddie DeLoach emphasized the mutual support between the City of Savannah and Skidaway Island. He first described his journey to being elected Mayor of Savannah in November 2015. He helped author the Stevens Day real estate tax system that benefits longer term residents of the County, and also served as a Chatham County Commissioner. He owns and runs a small business in Chatham County and is a staunch believer in the free market as a general solution to most community needs.

Nevertheless, as Mayor, he has continuously pushed for a cost-effective role of government where appropriate, such as needed spending on infrastructure (e.g., roadways and drainage).

He also recognizes that the Arts make quality of life better, and is now pushing for a more permanent home and long term support for the Savannah Symphony.

He even pushed for and got a tax reduction for Savannah residents. His goal is to get the millage rate within two mills of the surrounding areas. He believes a vibrant and successful city as a hub improves the quality of life to all who live near it, recognizing there are some 13 million visitor days a year to Savannah.

SPLOST is a major aid to raising capital for needed functions. For example, \$70 million was raised to do drainage, and \$20 million for paving. He also allocated some \$160 million of SPLOST funds back to the districts for their unique needs.

A future major project is the building/development near the Arena that was authorized back before 2016, but not started then. He had several major planning studies on where to build such an arena, and the overwhelming consensus was in the Canal District (near Stiles and West Gwinnett). An example of how not to build an arena was given as Greenville South Carolina, which put theirs two miles outside of town, with virtually no effect on promoting business nearby. In Savannah, there is a potential \$1 billion development possible on the west side to counter the flight of residents from there over the past two decades. He cited the success of San Antonio's Riverwalk area helping to refurbish their downtown area, making it much more of a tourist attraction.

### Enterprise Zones

A fellow electee in 2016 (after DeLoach became mayor of Savannah) was President Donald Trump. Behind the scenes but without much fanfare, Trump has expanded greatly the concept of enterprise zones to vitalize cities in America. DeLoach has visited the White House several times. He has frequent discussions with Administration officials on how to bring pri-



vate investment back into inner city development. Trump himself had vast experience in urban development,

DeLoach having moved to downtown Savannah from the suburbs, he relished the idea that Savannah can become a major residential town once again, close to the fabulous restaurants that are here. He also knows that buttressing the police and fire services are a major goal.

He also recognized that violent crime was an issue that had to be solved. He has seen the homicide rate cut by 40% during his tenure. He acknowledged that DA Meg Heap had much to do with it, by making it very hard for gang members to function. He noted that the remaining homicides were virtually all among the gang community, with no random deaths to innocent bystanders in the past three years. He realizes that there is still much to be done, and doesn't want to rely on poor marksmanship as a leading cause of lower homicide rates.

### Need For Volunteers

A major contribution of Skidaway Island residents is their selfless volunteering and fundraising for key needs of Savannah. Not only for the arts, but education as well. He openly solicited more skilled volunteers for a number of oversight Boards to accomplish new successful ventures.

### Q&A Session

Q1. While the historic district has improved safety in the past four years, what about neighboring districts?

A1. He acknowledged that there is a need to restore stable residencies in the nearby areas, to prevent reversion to slum or teardown status. He earmarks some \$10 million to refurbish small homes to allow residents to remain in those areas. The "eminent domain" restrictions had to be changed to allow this to happen.

Q2. What about establishing a "Land Bank"?

A2. This conversion of abandoned properties for future development has already started, with the goal of doing eight houses a year, recognizing this is a long-term project. One of the attendees was quite familiar with this issue and promptly volunteered to help steer this project.

Q3. While SCAD was a major factor in restoring Savannah as a vibrant city, their tax exempt status on vast numbers of buildings does not help the tax base. Can SCAD help in any financial way to future building of Savannah?

A3. The fire tax is not exempt, and gets some help from schools and churches.

Q4. New building projects have funding from SPLOST, but are the maintenance costs also funded?

A4. Still a major problem.

Q5. Is the police staffing at targeted levels?

A5. No, there are 40 openings right now for the police department, and 80 for the Sheriff's office. State funding for state police creates a gap in compensation, sometimes as much as a 20% difference.

Note: DeLoach lost reelection in a December runoff .



Michael Imperatrice, the new Resident Agent in Charge for Southeast Georgia (based in Savannah) gave a perspective on the role of Homeland Security Investigations (HSI) - not only of foreign threats but also of criminal organizations operating in our homeland.

## Wide Variety of Threats on National Level

It is staggering the breadth of threats facing us here in the sleepy southeast, far away from Washington DC or our Southern Border. These threats nationally deal with terrorist, transnational and criminal organizations exploiting our customs and immigration laws. They have produced an average of 94 criminal arrests a day in the past year, nationally (no comment on how many were in southeast Georgia).

HSI employs about 8,500 people assigned to 200 US cities and 51 countries around the world. But they also interact collaboratively with many other government agencies such as the FBI and local police departments to identify and apprehend criminals dealing with customs and immigration violations.

Border security crimes include:

- Cyber crimes
- Financial crimes,
- Human trafficking, including human smuggling,
- Child molestation,
- Transnational gangs,
- Narcotics enforcement
- Trade enforcement, and
- Identity fraud.

## Recent Results in Southeast Georgia

Over \$1.2 billion was seized nationally in illicit currency violations. Some local cooperating agencies can even keep a portion of the impounded cash not returnable to its rightful source as a reward for cooperation. (Pooler locally got such a stash.)

Cybercrime and use of the dark net are especially difficult to detect and prosecute, but HSI can access specialized expertise in other agencies to help. In fact, there are over 4000 enforcement partners trained in cyber investigations.

Human trafficking is a local crime that is being pursued, as many illegals are being transported to work on Georgia farms, at a \$6000 cost to be repaid by the indentured servant illegals that have to work off the loan by crop picking for a period of time with little or no pay. (Perhaps they agree to this quasi-slave labor because at the end of their work commitment, they might have a chance to stay in this country as an illegal not being deported readily, if they commit no crimes.)

MS 13 gangs are not a particular problem in this part of Georgia, but in other locales it is a major one.

## Risks at the Port

Our port is a major concern as it is one of the largest container ports in the US. Strangely some employees working the port have multiple felony convictions on their record. This would not be possible at an airport, but the International Longshoremen's Union is in control and does not preclude ex-cons from working at the port driving trucks. Crane operators cannot be ex-cons.

As for other risks at container ports, there is little scrutiny of the contents other than radioactive materials, which is vigorously monitored. So little chance of a dirty bomb being smuggled into the country via a container.

## Q&A Session

1. Is there criminal activity at our Savannah port? TSA is more in charge there, and the aforementioned portion of truck driving employees have felony convictions in their history. This is not true of the crane operators.
2. Is there any evidence of sanctuary city syndrome in South Georgia? Not at the moment.
3. Is there any known terrorist activity here? Not at liberty to say, but implied no.
4. Are we getting any illegals here who broached our southern border? Not really, but we do have some smuggled in to work on farms in Georgia under indentured servant status. So E-verify could be improved so that employers do a better job in checking employee legal status.
5. Is there any attempt to educate the public on your role, such as outreach to schools to see if students know of any cases of child exploitation? In California they have been prevented from outreach programs, as public officials find out they have a connection with ICE, and ICE has been demonized, without merit, by left leaning politicians.
6. Is there any cooperation with CDC to track down diseases brought into this country from illegals not being screened at the border? For example, in Georgia now there are cases of leprosy being uncovered for the first time. Not a primary role for this criminal investigation unit, but confidence that the CDC is quite aware of these issues.





### How Legal Immigration Can Secure the Border

On November 21, David Bier summarized his recommendations on how to cut through the current controversies with a pragmatic pragmatic solution to the million or so arrests of illegals at the border. He is a Visa reform and border security expert from the Cato Institute in Washington DC.

The first part of his presentation was a series of charts that put the size of the immigration problem in perspective. He characterized the massive change in immigration policy from a century ago to the current fairly restrictive one, at least on legal immigration. In the late 1800s and early 1900s, the US was very much in an expansion mode, needing huge influxes in immigrants to work in our expanding economy. Then we allowed as much as 2% growth in our population each year, much of it from Europeans seeking work and religious opportunity from problems in Europe. The policy then he characterized as welcoming to all foreigners, but with articulated exceptions.

Now we welcome very few immigrants, with a policy that is immigration prohibited, but with noted exceptions. So the legal immigration as a percentage of native population is down to 0.2% or less. The problem of illegal immigration is covered later in his presentation. Legal immigration is still restricted to non-criminals and those who demonstrate the ability to be self-supporting (e.g. not stressing our generous welfare and entitlement programs).

There are exceptions to the legal immigration ban today but still allow about one million new immigrants a year:

1. Family sponsorship (77%),
2. Employer sponsorship (15%),
3. Refugees (4%),
4. Diversity Lottery (4%).

These prevent a backlog of another 4 million who sort of qualify, but have process and other investigatory delays.

### The Return of Geo-Economics

On December 12, Michael F. Lind gave a broad view of how world trade policy has changed since the end of World War II. He is the co-founder of New America, a Washington DC public policy think tank, with a master's degree from Yale University on international relations. His books include: *The Next American Nation*, *The American Way of Strategy*, *Land of Promise: An Economic History of the United States*, and soon to be published, *The New Class War: Saving Democracy From the Managerial Elite*. He has taught at Harvard and Johns Hopkins, and is now on the faculty at the University of Texas. He formerly was an assistant director at the US State Department.

At the end of the Cold War until about 2008, our trade policy reflected our status as the world's only military superpower, calling it global mercantilism. This carried over partially economic concessions to the "trading states" of Germany and Japan, who agreed to make "cars not wars", relying on the US to protect against military aggression worldwide. Each of those had restrictions, West Germany was hemmed in by the Soviet Union, and Japan by an emerging China, so we agreed to be a major im-

porter of their products. The US even perceived some advantage over China because our navy guaranteed access to Middle East oil, which their economy was heavily dependent on. (We had more reliance on Texas, Canada and Mexico for our oil.)

Presidents Clinton and Bush both relied on The World Trade Organization to settle disputes with China (and others, even though the WTO court eliminated weighted voting, with little sanctioning clout, other than to encourage retaliatory tariffs against violators (e.g. Airbus was found guilty and allowed US flexibility to retaliate, such as punitive tariffs on cheese as punishments to France).

Why was China allowed in the WTO, since they had no semblance of a market economy? And they could prop up companies that had no incentive to reform from violations. The other realization was China's published strategy "Made in China in 2025". And their military ability to shoot down satellites in space, and apparent intent to become a major military threat. This implied that China economic protectionism would prevent their being satisfied to merely expand through free market participation.

The Obama Administration tried to counter this threat with a reasonable Quad strategy of trade policies: TPP (Trans Pacific partnership) and TTTP (EU and US) trade agreements, with developing countries being added to those two versus China, hoping to outflank China by controlling participation in the major industrial nations. Yet TPP was running up against both liberal and conservative opposition., One for disadvantages to US Labor unions, and the other for sovereignty risks of allowing parties to sue governments for grievances, settled by bureaucrats.

Newcomer Trump's election allowed taking bold actions: cancel TPP and NAFTA, with a new economic nationalism policy. And now the replacement USMCA agreement has more clout by allowing cancellation if Mexico tries to sneak Chinese imports into goods shipped to the US.

Also, the US has now added a national security exception to trade if is viewed as crucial to national defense (e.g. Steel and Aluminum). We now preserve our ability to produce those products if we need them militarily.

We now recognize we are in a long-term Cold War with China, and will no longer rely on their rare earth products for military and commercial development, just as we no longer will rely on Russia for rocket development.

We now recognize that there are threats from more than rogue states and terrorists, but China as well.

### Q&A Session Insights

For a period, the world saw some recognition of its advantages, but not fully because the farmer lobby everywhere refused to participate. Now that the US is no longer the sole military superpower, more protectionism is the realistic tendency.

India is an interesting study as it may soon exceed China in population. Yet its economic development has been hampered by its service orientation, with little capability in industrialization, in contrast with China.



A number of families that moved from Skidaway recently mentioned that fear of hurricanes was part of their decision. This has prompted some updated research on hurricanes and global warming which was the subject of a 2009 article in the national actuarial magazine. That article asserted that global warming potentially caused by man was a serious topic and there were two pieces of advice to those who were trying to alert the public of its potential future harm. First, don't do *ad hominem* attacks on those who raise legitimate questions. Second, don't lie about key issues, like hurricane frequency. In fact, as of 2008, there were fewer, not more, landfalling U.S. hurricanes since the industrialization expansion in 1950 than the previous 100 years (25% fewer).

### The Florida Hurricane Project

In 1998 I moved here to head up an eight-year hurricane risk project in the state of Florida. My firm had built a hurricane simulation model adhering to a Florida Legislature mandate. They were concerned that just using 30 years of actual hurricane experience that included Hurricane Andrew in 1992 (the largest dollar loss of any catastrophe in U.S. history) would overstate the true hurricane risk.

They required the risk measurement include all of history's recorded data in Florida since 1850 – using wind-speed as well as barometric pressure in the eye of the landfalling hurricanes. We also had access to geologist data for some 3,000 years from core samples in the sand of the Continental Shelf. We simulated all possible storms that might hit Florida in 100,000 years. We then used the results of all five models approved by the Florida Hurricane Commission.

We also developed a discount program for devices that could mitigate the effects of a hurricane (up to 75% worth of rate reductions). These included: shutters or laminated glass casement windows, better roof clips and sheathing attachment, water-proof membranes if shingles blew off, and no skylights, sliding glass doors or gable roofs. For those confronted with the filed hurricane rates in South Florida, the entire cost of the mitigation could be fully paid back in three years of premium savings.

The arbitration panel unprecedentedly approved the entire 106% filed rate increase, which was staggered over five years so insureds would have time to mitigate. The filed rates also included the cost of worldwide reinsurance to cover up to a 100-year storm in Florida. For storms worse than that, a bonding program from Wall Street could be paid back over ten years by assessing in-state insurance policies a modest amount. Thus, in less than three years we finished the entire project, originally targeted to take up to eight years.

### UN Warnings of Global Warming

At the same time Florida was dealing seriously with its very large hurricane risk, the UN was ratcheting up its concerns that CO2 could be escalating much more risk for the entire planet. The U.S. Congress first rejected those concerns in 1998 by voting overwhelmingly (95 to 0) to reject President Clinton's signing of the Kyoto Treaty to limit the use of fossil fuels to stem the rise of CO2.

The UN responded in its 2001 Report by the International Panel on Climate Change (IPCC), upping the stakes with a major new finding by Professor Michael Mann of Penn State. He alleged an alarming increase in global temperatures since 1850 after a relatively flat period of about 900 years.

With no temperature gauges in the distant past, he used a surrogate measure based on tree-ring growth. This purported to show no trend in earth's average temperature for 900 years, until the late 1800s which began to show a sharp rise in the latest hundred years (hence the term "hockey stick graph"). This was correlated highly with CO2 expansions occasioned by much more industrialization in the last century.

He then projected the sharp curve of the hockey stick blade into the next century or so, when earth's future temperatures could rise more than two degrees centigrade.

This was a mainstay piece of the IPCC Report's Executive Summary for Policymakers. Yet the full IPCC report admitted that the sharp rise was only a worst-case scenario. Even if it continued, it would take "several thousand" years to melt Greenland glaciers and cause an ocean rise of as much as 20 feet.

At the end of the last major Ice Age, the North American glaciers completely melted in about 7,000 years, with a global temperature rise of over 15 degrees Fahrenheit.)

After that 2001 IPCC report, Al Gore won the 2006 Nobel Peace Prize for his *Inconvenient Truth* showing Manhattan Island flooding from Greenland glacier melt. Also, the thesis emerged that "97% of scientists agree the case is closed and CO2 as the culprit."

### Reactions to the UN Alarms

Several Canadian scientists requested Mann's underlying data, as his adjustments for tree-ring surrogates seemed to counter known anecdotal phenomena suggesting the last 900 years was not uniformly flat in average temperature. In the well-known Medieval Warming Period, there was farming in Greenland. In a Mini-Ice Age in the 1600s, the Swedish Army invaded Denmark by marching across the frozen Baltic Sea. In the early 1800s, the Thames River iced over regularly.

Yet Michael Mann refused to turn over his data, calling it proprietary. This flies in the face of the scientific method, whereby other scientists should be able to replicate an experiment to validate the conclusions. And recently, he lost a lawsuit in Vancouver, Canada when the judge demanded he turn over the data, but he refused.

The challenges to the controversial Mann thesis caused the next IPCC Report in 2007 to excise any reference to him. In fact, there was no attempted fitting of data over 1000 years. Instead they measured the warming after 1850, the end of the last Mini-Ice Age. No wonder the temperature curve looks upwardly tilted, starting from a cold base.

(continued on page 8)

### Is the Case Closed?

The first 97% quote came from a study by a researcher (Naomi Oreskes), who googled global warming from recent papers published. She did not read the papers themselves, but merely looked at the abstracts. Under the Clinton/Gore Administration, much funding was made available for researchers to study this new phenomenon of man-made CO2 possibly causing the latest growth in warming.

Some of the papers published included models estimating future warming caused by the climb in CO2 from industrialization’s burning of more fossil fuels. The modelers also have not submitted the key their future projections of warming. No papers were accepted for publication that questioned whether it was CO2 causing the warming or merely being correlated with warming.

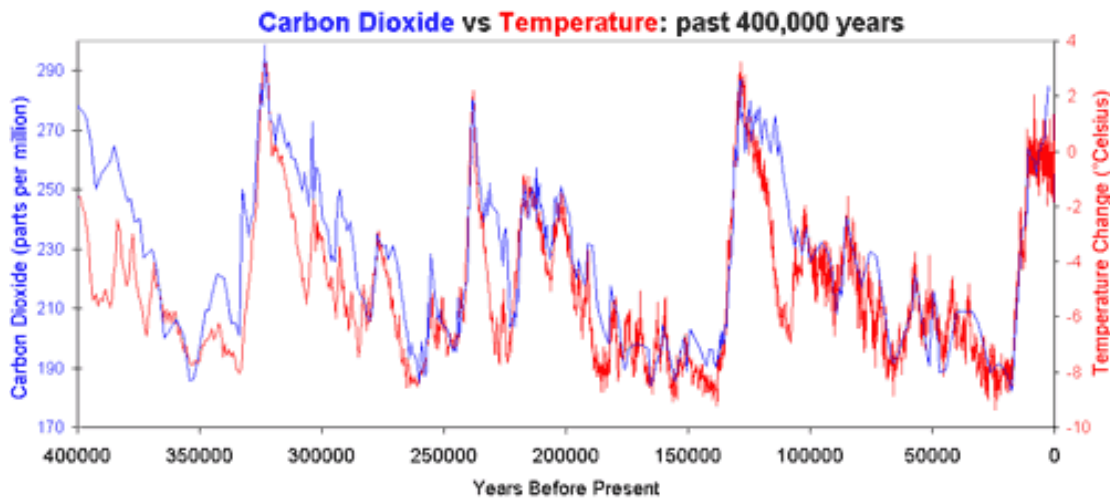
There’s now ample evidence over 400,000 years of Antarctic ice core data to suggest that the CO2 increase in the atmosphere comes after the periods of warming. (See Chart 1.) This is due to the oceans being warmed after an Ice Age ends and that puts more CO2 into the atmosphere. The oceans generally contain 50 times as much CO2 as the atmosphere, in which CO2 is only about 4 parts per 10,000. Man-made CO2 is only 1 part per 10,000. See Chart 1 below.

Other attempts to surmise a “vote” by scientists have used surrogate conclusions from estimating the results of warming. Why would they calculate results if they did not believe that dramatic warming was coming? Never mind that the scientific method doesn’t rely on voting. It’s the replication of the experiments after disclosing of data that advances the science.

### Current Anomalies

There’s really no warming trend over the past 18 years of more accurate atmospheric data, versus ground thermometers. And after the 2005 hurricane season, we had the longest period in recorded history of no major landfalling hurricanes in the Atlantic Basin – 11 years

Chart 1: CO2 Peaks Lag Behind Temperature Peaks



Source: Vostok, Antarctica ice core records for carbon dioxide concentration and temperature change.

An update of the hurricane study done in early 2009 shows that the latest frequency of landfalling hurricanes is now 25% lower than those in the 100 years before 1950 (14.5 per decade after 1980 versus 19.2 before 1950; see Chart 2). Major storms (Cat 3+) are down also (4.7 per decade since 1980 versus 6.1 before 1950; 23% lower).

You also can’t use dollars of loss in the measure because there are more houses in the way now, and they are worth much more. You need to use scientific measures of maximum sustained windspeed and barometric air pressure in the eye of the storm at landfall – data readily captured by the National Weather Service since 1850.

(Article continued on page 9.)

Chart 2: Hurricanes Now Not as Frequent or Severe

U.S. Mainland Landfalls by Decade							Average per decade	
Chart 2	Saffir-Simpson Scale							
decade	1	2	3	4	5	total	3,4,5	
1851-1860	7	5	5	1	0	18	6	
1861-1870	8	6	1	0	0	15	1	
1871-1880	7	6	7	0	0	20	7	
1881-1890	8	9	4	1	0	22	5	
1891-1900	8	5	5	3	0	21	8	
1851-1900	38	31	22	5	0	96	27	19.2 5.4
1901-1910	10	4	4	0	0	18	4	
1911-1920	8	5	4	3	0	20	7	
1921-1930	8	2	3	2	0	15	5	
1931-1940	4	7	6	1	1	19	8	
1941-1950	8	6	9	1	0	24	10	
1901-1950	38	24	26	7	1	96	34	19.2 6.8
1851-1950	76	55	48	12	1	192	61	19.2 6.1
1951-1960	8	1	6	3	0	18	9	
1961-1970	3	5	4	1	1	14	6	
1971-1980	6	2	4	0	0	12	4	
1981-1990	9	2	3	1	0	15	4	
1991-2000	3	6	4	0	1	14	5	
1951-2000	29	16	21	5	2	73	28	14.6 5.6
2001-2010	8	4	6	1	0	19	7	
2011-2019	7	1	0	2	1	11	3	
1971-2019	33	15	17	4	2	71	23	14.5 4.7



### What Really Causes Warming and Cooling?

The so-called “greenhouse gas effect” helps to warm the planet by preventing all the heat from evaporating into space. 95% of its effect is produced by water vapor, and only a small fraction by gases such as CO<sub>2</sub> (less than 4% of the effect, with man-made CO<sub>2</sub> less than 1%). So even if the global warming alarmists and “green new deal” advocates were to convince us to halve our fossil fuel usage, it would have less than a half percent effect on lowering temperatures!

### The UN's Likely Agenda

Frankly, it is more likely the push by the UN's IPCC to demonize CO<sub>2</sub> stems from the nature of the UN's make-up. 80% of the world's nations have a GDP less than Arizona. And their prospects of industrializing to bootstrap their economies are slim to none. Many attempts to help their impoverished populations have met with corruption-based siphoning of resources.

This UN call for carbon credits to incent reducing fuel use of necessity has to be controlled by government fiat. Thus, the UN's goal would be transfer payments to the have-not nations from the G20 nations that produce almost all of the created wealth in the world.

Another insight came out from the so-called “Climate-Gate” revelations from the Climate Research Unit (CRU) at East Anglia University (the official climate data resource in the UK). Hacked emails at CRU showed they tried to suppress articles and professors from being published that questioned the emerging orthodoxy that CO<sub>2</sub> was a toxic chemical that needed to be curtailed.

Even today, alternative views of what really causes global warming and cooling cycles are routinely ignored by the mainstream press. Does the press acknowledge that the last 100 years had only a seven-inch rise in ocean levels? Or that Greenland's glaciers have started to grow again?

Did the mainstream press ever report the conclusions of a regular enclave of economists that evaluated the 30 perils facing our planet and assign priorities to the spending to reduce the risks? The IPCC had no problem recommending reducing world-wide GDP to combat the perils of CO<sub>2</sub>. Is it worth spending some \$100 trillion over the next century, when the effects are really being questioned? The above economic conclave assigned a priority of 30th out of 30 perils any spending on global warming mitigation.

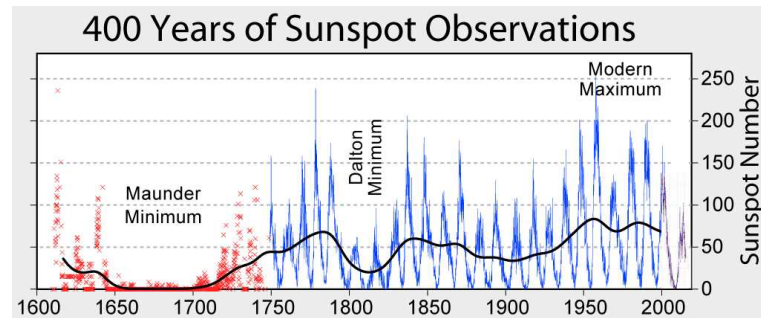
### Real Case For Cyclical Warming and Cooling

Monitoring sunspots began in 1609 with Galileo's perfecting a 20x magnification telescope. Sunspots are evidence of exceptional energy releases from our only real source of warmth. And they have an amazing cyclicity of 11 years of lows and highs. When the pattern of highs is not very high, it correlates to much colder periods on earth.

The Maunder Minimum was measured in the 1600s, when there were more than 50 years of very cold weather. (A scientist named Maunder discovered the correla-

tion.) Another Mini-Ice Age happened some 200 years later in a period called the Dalton Minimum. It now appears we may be entering a new such grand solar minimum, of not much sunspot activity and much colder winters. (See Chart 3.)

Chart 3: Sunspot Cycles Create Warming and Cooling



Source: *Wikipedia* on Sunspots

### What Causes Full Ice Ages and Recoveries?

There have been real major Ice Ages every 100,000 years over the last some three million years. The peak of the last one was 18,000 years ago, with mile-deep glaciers over Minnesota and elsewhere in North America. Over the ensuing 7,000 years all of the ice melted from an estimated average temperature growth of over 15 degrees Fahrenheit on Earth. The oceans then rose some 400 feet over those 7,000 years.

This current period of warming is called the Holocene Warm Period. (The previous one was the Eemian Warm Period.) Ice Ages have been in place for over 80% of the time in the past three million years, so we are now the beneficiaries of this recent benign period in climate cycles. The Vostok ice core samples from Antarctica are the main sources of these estimates of warming and cooling and of CO<sub>2</sub> cycles.

The key is what caused this major shift in ice flows starting 18,000 years ago. It was not burning of fossil fuels. The answer was discovered by Serbian geophysicist Milutin Milankovitch. He observed that the giant planets of Jupiter and Saturn occasionally are on the same side of the sun, when their revolution periods of about 12 and 30 years coincided to pull the Earth's annual orbit into more of an elongated ellipse. When that extra distance from the sun occurs in winter, it is much colder and snowier (via the inverse square law of thermodynamics).

So, in Minnesota when the summer is not long enough to melt the winter's snow, it is time to move. The next major Ice Age is beginning, and the glaciers are forming again.



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## Why Change is Needed

The Affordable Care Act (ACA or ObamaCare) is failing. Insurers dropped out when federal subsidies ended. Premiums and deductibles rose sharply from unsustainable promises of “free” pre-existing condition coverage and unlimited lifetime benefits. It was never intended to last, but designed as a stopgap measure until “single payer” could replace it. “Medicare for All” was the goal, now espoused by most Democratic presidential hopefuls. Yet Medicare itself is underfunded by more than \$40 trillion!

In the last mid-term elections, Democrats gained House seats with a late spending campaign to demonize Republicans for having no plan to fix ObamaCare. (Even Democrats concede ACA is deeply flawed). Yet GOP candidates had little detail in how they might replace ACA.

## No Federal Plan Can Succeed

The truth is no federal program can replace ACA. Congress doesn't have Constitutional authority to impose one, even if one existed. (Article I, Section 8 lists enumerated powers of the federal government, and insurance is not one of them.) States, on the other hand, can do it, similar to auto and homeowners insurance providing guaranteed access to basic insurance, and even subsidized pre-existing conditions (e.g. hurricane risk).

Auto insurance, for example, guarantees access to affordable liability insurance via assigned risk plans in virtually every state. The competitive market has provided that coverage for decades from 50 or more competing insurers, with total profit margins of under 4% of premiums.

One state implementing this new health plan would be a role model for other states, and ironically be a mechanism for getting ACA declared unconstitutional, so other states would be free to emulate that state's success.

## How ACA Went Wrong - A Clue to Fixing It

ACA was cleverly designed to whet the public's appetite for correcting some of the old system's flaws: give guaranteed access to health insurance, and combat the high cost of pre-existing conditions, which were generally not available in the individual insurance policy marketplace.

It also added a lot of other expensive coverage to appeal to the public, but hid the costs: lifetime unlimited benefits, free coverage for parents' out-of-work college graduates until age 26, plus coverage for abortion and contraception, and mental health.

The 2012 Supreme Court decision on ACA was very narrow — the ability of Congress to *mandate* buying health insurance was rejected. But Congress can tax for the general welfare, so initially a \$95 fine was allowed if someone did not buy a policy. Not tested was making young people overpay to subsidize older insureds with

higher expected costs, nor what a policy must contain as a minimum to be sold in the marketplace.

## Insurers Enticed to Accept ACA

Group health insurers were enticed not to object at the start via federal subsidies that eventually expired. Plus most insurers would have benefitted from a replacement Single Payer system, when they could collect say 3% for servicing the claims as a third-party administrator (TPA), where they really couldn't lose, as they would not be on the hook if premiums were inadequate. In fact, such a TPA system can be insidious, as the more claims are overpaid without much scrutiny, the TPA makes more of a profit. This type of system has been tried before in casualty insurance, and has been a disaster.

As further proof the original ACA was not a serious long-term solution, individual policies were never made competitive with employer policies on tax treatment (only group health insurance is tax deductible). Plus the 2,600 pages of the ACA were virtually inscrutable (Pelosi: “let's pass it to find out what is in it”).

The state exchange applications also failed at the outset, straining to hide the true premium costs before the individual subsidies were applied. The Obama Administration had more than four years to get this feature programmed and mostly failed.

## Medicaid Expansion Not So Successful

Most new ACA beneficiaries were not really in an insured program, but in a partial expansion of Medicaid eligibility to 138% of the poverty level. ACA tried to entice a state to spend say \$300 million more on Medicaid to get a “free” extra \$3 billion of federal funds. The state of Georgia saw through this sham immediately, and rejected the expansion, as nothing is free, and Georgians' federal taxes would have gone up \$3 billion to pay for this largess.

Many doctors are pulling out of Medicaid, as government price controls come with it. Also, studies that show health outcomes are not really better for Medicaid recipients than doing without Medicaid.

## Health Insurance Is Still a Major Issue

The 2018 elections highlighted the public's concern for a better way, with the Republicans being hampered by no cogent plan. Current Democratic presidential debates are hammering home the need to address this, with some pushing “Medicare for All”.

The public should reject this fiscal disaster, that would expand Medicare's massive deficits. Western European democracies do forms of single payer funded by the government, but many of them take more than 40% of their nation's GDP in taxes to provide it (versus the U.S. level of close to 20% of GDP for federal services).

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### How ACA Replacement Would Work by State

Emulate the auto insurance assigned risk system by guaranteeing every resident access to a basic health insurance plan that is also partially subsidized (as is auto insurance).

A **Health Assigned Risk Plan** (HARP) would have a basic high deductible, to allow it to qualify for a Health Savings Account. Unused funds in that account can be converted to an IRA for retirement.

Any person who can't find coverage in the regular voluntary health insurance market is guaranteed a policy in HARP. And the rates are partially subsidized by the voluntary market.

A **Pre-Existing Condition** (PEC) is any medical condition for which the applicant has already been diagnosed by a physician and received medical advice for treatment prior to enrollment in a new medical insurance plan.

A HARP policy also carries coverage for **some basic pre-existing conditions** that are not usually covered in the voluntary market, such as: Acid Reflux, Anxiety, Non-rheumatoid Arthritis, Asthma, Celiac Disease, High Cholesterol, Hypertension, Kidney Stones, Migraines, Lyme Disease, Narcolepsy, Obesity, Postpartum Depression, Sleep Apnea, Ulcers.

Other PECs are covered in a statewide High Risk Pool (HRP) to provide coverage for higher-risk PECs than are covered automatically in the HARP. Even policies in the voluntary market are automatically covered in the HRP. Subsidies are based on a means test. The HRP is to be managed by a state agency or outsourced by a decision of the Commissioner of Insurance.

A **Market Assistance Plan** (MAP) is established to help obtain coverage for the applicant to the HRP to find a specialty insurer (or a facultative reinsurer) that might offer coverage at a lower rate than promulgated in the HRP. Such an insurer may have discounts for certain risk control devices to lessen the overall costs.

### Follow Actuarial Principles in Rating

Health insurance rates may be based on relevant rating criteria that adhere to actuarial principles of ratemaking. These criteria help to reflect risk measurement via practical, efficient information that does not impede discovering material differences in expected costs. These permitted rating criteria can include (among other criteria): age, sex, and health condition. This is based on the actuarial principle that: "a rate is reasonable and not excessive, inadequate, or unfairly discriminatory if it is an actuarially sound estimate of the expected value of all future costs associated with an individual risk transfer."

In life and auto insurance, e.g., age is such a rating variable that makes for practical, measurable and sustainable differences in expected loss costs. Male versus female rating distinctions helps to lower the premium for women who buy those products. In individual health insurance, non-smoking, regular exercise, better body mass index and periodic health examinations should also

produce lower expected costs that can be passed on to policyholders in the form of lower premiums.

For those identified with higher than average costs, e.g., adverse health conditions, there is the assigned risk market to guarantee acceptance of such risks for a basic policy. For those with high cost pre-existing conditions, there is an outside source of premium support for individuals who cannot afford the added costs.

The funding source for that premium support can come from both federal grants to the state, as well as state resources. Federal grants generally come from the federal taxing authority. The goal is to provide funds from non-regressive revenues, instead of a much narrower source that might hurt the availability of insurance in a state. So-called "Community rating laws" in various states were an attempt to provide subsidies, but merely passed an unfair burden onto young people, who had less income than older insureds to pay for subsidies.

### ACA Should Be Found Unconstitutional

Key ACA features clearly violate the U.S. Constitution's Article I (Section 8) and the 10th Amendment (enumerated federal powers, the rest reserved for the states and the people):

- All health plans must cover, for no extra charge, all pre-existing conditions (PECs);
- All plans must cover, for no extra charge, unlimited lifetime benefits;
- Insurance coverage may not be priced accurately, e.g., Young people must pay more for insurance than their expected costs; females must pay the same rate as males; dependents must be included on their parents' policies, for no extra charge, until age 25;
- Everyone must purchase an ACA specified coverage policy. (This was the mandate struck down already by SCOTUS in 2012.)

Once a state implements the new law, there could be a grant of cert with the high court, as the new state law clearly violates the above provisions of the ACA.

The Supreme Court would then likely find in the state's favor as states are allowed much more authority to specify coverages and limits allowed in insurance policies (e.g. auto and homeowner's insurance).

The Supreme Court would also be cognizant of an alternative to the ACA, namely what is being offered in the state to guarantee basic health insurance coverage with subsidies for pre-existing conditions, which is popular with the general public. So, the old system, which needed reform, need not be returned.

Other states can emulate the new state system, or try different solutions that do not violate the Constitution. After a number of years, states will be free to adapt to the more successful models that work best.



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