

**DATA DELAWARE: Wednesday, October 23, 2019**  
**SUBJECT: Healthcare revelations – from a Delaware icon**  
*(Part II Podcast transcript)*

**DISCLAIMER: This transcript is produced from Data Delaware podcast electronically;  
the conversion is being offered on a best-efforts basis.**

- Dace Blaskovitz: Welcome back to Money and Politics in Delaware. Welcome back, John Stapleford.
- John Stapleford: Always a pleasure Dace and appreciate what you do through your radio show.
- Dace Blaskovitz: Very good. Let me tease this segment. The phoniness of climate changed documented is the number one issue for Democrats, it's their battle cry. The data, however suggests that's unfortunate. Last week, Peter, I believe it's Schweizer, President of the Government Accountability Institute, published a piece in the opinion pages of the Wall Street Journal. "The Government Accountability Institute undertook a year long study of 40 major cities to find out if mayors apocalyptic projections about climate risk are factored into the interest rates on the municipal bonds their city's issue."
- Dace Blaskovitz: Reworded, despite all the chest thumping end of the world climate change bravado, what does the political left actually reduce to writing in their legally binding disclosure statements when it comes to environmental concerns? Virtually nothing. We asked the CRI Chair, Dr. John Stapleford to ferret through the state of Delaware documents what has tree hugging, climate change, flag waving and Governor John Carney told investors and the legal community about the first state and the alleged and pending evils of climate disaster. Sets up the story, let's start at the beginning, John Stapleford we get first time listeners, 30 seconds about you, 30 seconds about what you do.
- John Stapleford: I have a PhD in urban and regional economics from the University of Delaware. My last full-time paid job was with Moody's Analytics, they're bond people of all things. Currently the Chair of the Board of Caesar Rodney Institute, a nonprofit think tank focused on Delaware, where we just produce data and fact based analysis.
- Dace Blaskovitz: My disclosure is that I published out of Delaware, which is a unit within the CRI umbrella and do I remember correctly John Stapleford and that is all/virtually all of the courts and the state of Delaware, you are recognized as an economic expert?
- John Stapleford: That's correct. Yes.
- Dace Blaskovitz: Very good. The story that I became infatuated, I guess we became infatuated with was the Thursday, October 29th Wall Street Journal opinion piece. "Lukewarm Bond Yields Belie Mayors' Climate Alarm". For somebody that didn't study the Wall Street Journal on Thursday John, how about a recap of that piece?

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John Stapleford: Well, what they're saying is they have some anecdotes in there, although they did study as you said 40 municipalities. For example, in Oakland, the politicians were saying, "We're going to have 66 inches of sea level rise by 2100. This will imminently threaten Oakland sewer system and harm property with a total replacement costs between \$22 and \$38 billion dollars." However, when it comes to going out to get money in the capital markets, fight floating bonds, suddenly the Oakland City officials say we're unable to predict seismic events such as sea rise. On one hand the sky is falling, and on the other hand it's when you go out to the capital markets, things could happen, but it's not life threatening right now.

Dace Blaskovitz: Yeah. So much for that climate change.

John Stapleford: You hedge the argument.

Dace Blaskovitz: So much for that climate change argument when you got to pay for it, right?

John Stapleford: Yeah. Governor Carney has been very clear in his stand on climate change. He has said repeatedly that we have a very low lying state with regards to this sea level. We've got 381 miles of coastline and so it's a threat. There could be, as the sea level rises, 17,000 homes in Delaware that could be jeopardized, 500 miles of roadway, thousands of acres of wildlife and wetlands. Also we have an \$8 billion agricultural industry that could be jeopardized with salt water. All these things pose a real risk to Delawareans. When you go and look at the latest bond issue, my devil in the documents for the latest bond issue, it's \$104 million bond issue for 2019. In all the notes to the Governor's credit, they do have a little blurb on climate change and it says, all the success that we've had in reducing carbon emissions. The fact that we're a part of a green energy program that subsidizes solar and we give rebates for electrical utilities.

John Stapleford: Then it finishes up by saying despite Delaware's best efforts, climate change will intensify and increase the frequency of extreme weather events. The future fiscal impact of climate change on the state is difficult to predict, but it could be significant. They do put a statement into the bond issue, very long it's a 70-80 page document. They put a little thing climate change that reflects to some extent the Governor's concern, but it's not much consequences of bond markets because when you look at the ratings from Moody's and Standard & Poor and Fish, they all rate Delaware bonds as AAA and nowhere in their rating evaluations of Delaware does climate change come up.

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John Stapleford: For an economist, you really do look to the market to see if something's legitimate. Is it really serious? When I was working on the alignment for Route 1, we looked at the research literature on the value of single family homes, close to noisy highways. Sure enough, the closer a single family home was to a major interstate highway, the lower the value of the house, all of the things being equal. In other words, the market does pick up on any kinds of legitimate issues or threats. It's the same thing with property values. Ocean front property home values have been going up. Despite warnings from the Washington Post and CBS News that people shouldn't buy beach front homes because of rapidly rising sea levels, it's going to go up a foot or whatever it might be.

John Stapleford: You don't see that concern reflected in what people are willing to pay for beach front properties. The market test is at odds with some of the language and some of the, I don't want to say scaremongering, I assume they believe what they're saying. But the other part of it is Dace, that I just ran across the other day, the hole in the ozone layer is actually getting smaller. The population of polar bears is growing again and part of what has happened was we had this year fewer sunspots than we've had in the past, which means we're going to have a colder winter. These things go up and down and I guess it's easy to overplay a short run trend.

Dace Blaskovitz: You have exactly one minute you did a reply, a response to Ted Kauffman in the News Journal. There's some turmoil at the News Journal, it's not going to get printed. You got 60 seconds and a platform to do some kind of response to the article Ted Kauffman presented.

John Stapleford: Yeah. Ted Kauffman was just saying that wage growth is relatively weak and to combat that what we need to do is to restore unions and increase the minimum wage. I just looked at restoring economic growth because economic growth during the Obama/Biden years was relatively mild, and during the two and a half Trump years has been extraordinary. What you find is a rising tide lifts all ships. Economic growth is a much better solution to stagnant wages and to persistent inequities in the labor market.

Dace Blaskovitz: His name is Dr. John Stapleford, the Caesar Rodney Institute. Join him online. We'll see you back here for more Money and Politics in Delaware.