Confidential Role Instructions for Baylor Brown (Republican Senator)

You are Baylor Brown, a Republican Senator from North Carolina. You are currently five years into your second term, and you will be facing a tough re-election challenge next year. You won your last election despite receiving less than fifty percent of the vote, thanks to the campaign of a third-party candidate who took fifteen percent. However, this close race has made you nervous for your next re-election campaign, which is quickly approaching. Money is pouring into the campaign of your Democratic challenger already. You will need to show your conservative base that you still represent their interests, while also demonstrating that you are able to get things done. It is also extremely important to keep your donors happy.

In the most recent election, Democrats took control of the Senate, defeating many Republican incumbents including the former Chairman of the Senate Energy and Natural Resources Committee. Republicans still hold a narrow majority in the House of Representatives, and there is a Republican President. You were appointed the Ranking Member of the Committee after the election. The new Minority Leader of the Senate, Morgan Miller (Republican, Alaska), has asked you to work with the Committee's Chair, Avery Adams, to draft an energy bill that can pass both the House and the Senate. Despite having a majority in the Senate, Democrats do not have enough votes to pass a bill without help from Republicans. Therefore, you know that Adams will depend on you to recruit support from Republican Senators. The Republican president has committed to sign a bipartisan bill supported by both parties.

Your conservative supporters back home will be looking for the bill to include new resource development and fiscally smart measures. Additionally, both nuclear and solar power companies are very powerful in North Carolina. You would love to include policies that will keep the members of those lobbies happy and help increase the campaign donations coming to you.

Your staff has consulted with the staff of all other committee members to get a feel for their stand on the issues and has been meeting with Adams' staff regularly over the last few months. Working together, they have ironed out many of the details of the potential bill. However, your staff and Senator Adams' staff have not yet been able to reach agreement on six key issues, for which they want input

This confidential instruction was written by Kessely Hong, Lecturer in Public Policy, and Chloe Cotton at the Harvard Kennedy School (HKS). The authors would like to thank the Hewlett Foundation for supporting the creation of this case, as well as Farid Nemri, Emily Schlichtling, Bill Dauster and Tyler Norris for feedback. The people and situation described in this case are fictional. HKS simulations are developed solely as the basis for class discussion; they are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

Copyright © 2019 President and Fellows of Harvard College.

This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivatives License. To view a copy of this license, visit http://creativecommons.org/licenses/by-nc-nd/3.0/; or, (b) send a letter to Creative Commons, 171 2nd Street, Suite 300, San Francisco, California, 94105, USA.

from you and Senator Adams—your staffs have jointly agreed on the issues to be negotiated and on a list of potential options for each issue. You and Senator Adams need to sit down to negotiate an informal agreement on these six issues, in order to create a comprehensive energy bill that you are both comfortable bringing to the Energy and Natural Resources Committee (you both recognize the bill may get further marked up in committee). At your request, your staff has helped you create a confidential scoring system so you can assess your priorities across the issues, as well as evaluate different potential options within each issue. The points in the scoring system represent how much you and your staff think each option will help (higher positive points help more), or hurt (increasingly negative points hurt more), your chances of re-election to the Senate in the upcoming election. While you would like this bill to be comprehensive, you could also eliminate any or all of these issues from the bill.

Following are the six issues to be negotiated and your staff's assessment of the potential options associated with each issue. Your goal is to negotiate a bill that will significantly improve your chances of re-election. Therefore, you want to achieve as high a net positive point total as possible, while still retaining Adams' support; any bill with a negative total would hurt your chances of re-election and would be worse than killing the bill. Although you and Adams have both been on the committee for a few years, this will be your first major bill together. Assuming the drafting negotiations go well, you are hoping that the two of you can build a strong partnership over the years to come.

Nuclear Power

You personally requested this issue be included in the bill (several nuclear power plants are located in your home state of North Carolina), and it is very important to you that this issue not be excluded. The nuclear lobby have been your key supporters since the beginning of your political career, and they need to know they can count on your dedication to the nuclear power industry. Nuclear power provides clean, cheap energy, and nuclear power plants are major employers in your state. As with any type of power plant that has been in operation for a number of years, there has been some normal wear and tear on various nuclear facilities; to keep the nuclear power industry strong and safe, you would like to see the government subsidize the refurbishment of existing nuclear facilities, as well as incentivize the construction of state-of-the-art, new facilities.

You have heard that some Democrats want to enact stringent new regulations and monitoring requirements and halt construction of new plants; this would be a major blow to the nuclear power industry, as well as to your campaign; it would also decrease employment in your state.

You and your staff have assigned points to each of the four nuclear power options as follows (positive points increase your chances of re-election, negative points decrease your chances of re-election):

- Refurbish existing facilities and incentivize new nuclear facilities = 40 points
- Refurbish existing facilities only = 20 points

- Increase regulations and monitoring of existing facilities and halt new nuclear facilities = -30 points
- Exclude nuclear power from the bill = -10 points

Addressing Climate Change

Senator Adams' staff insisted on discussing this issue, even though you would prefer to exclude it from the bill. Leaving this issue out of the bill entirely would be a political victory that would please both your base and your donors, as any acknowledgement of climate change is likely to carry with it a host of expensive regulations that hurt business. However, if it must be included, you would like to limit the scope to a provision focused on funding a response to changing sea levels; North Carolina is a coastal state and you are aware that communities located near the shore are concerned about protecting themselves from the negative impacts of large storms. You and the majority of your Republican colleagues and donors prefer to avoid any expensive regulations, such as a cap and trade policy to limit pollution; any kind of tax, such as a carbon tax, would be even worse since you have pledged not to raise taxes. You have heard that many Democrats want to take aggressive measures such as affirming support for the Paris Climate Agreement (the US joined 195 other countries in adopting the agreement by consensus in December 2015, but a subsequent US President later threatened to pull out), increasing fuel economy standards and strengthening model building codes. These measures would significantly increase the cost of doing business in the US, and it would be political suicide for you to endorse them.

You and your staff have assigned points to each of the five options to address climate change as follows (positive points increase your chances of re-election, negative points decrease your chances of re-election):

- Support the Paris Climate Agreement, increase fuel economy standards, strengthen model building codes, and fund response to rising sea levels = -50 points
- Institute a carbon tax and fund response to rising sea levels = -30 points
- Institute a cap and trade system and fund response to rising sea levels = -20 points
- Fund response to rising sea levels only = 20 points
- Exclude climate change from the bill = 50 points

Offshore Drilling

You and other Republicans believe that it is important not to let government bureaucracy get in the way of progress. Ideally, you would like to see the permitting process for offshore drilling accelerated. Senator Miller, the Senate Minority leader from Alaska, has privately asked that you be sure to include revenue sharing for offshore drilling in Alaska in any bill, promising considerable funding for your election from the national party if you are able to achieve this. You are happy to support revenue sharing for Alaska and other states, and you are also open to giving local communities an increased voice. What you are vehemently opposed to is having the federal government place additional, inflexible restrictions on future drilling and exploration that would slow down growth. You want to make sure

offshore drilling is addressed in this bill, in a way that will allow for economic expansion and make Miller happy.

You and your staff have assigned points to each of the four offshore drilling options as follows (positive points increase your chances of re-election, negative points decrease your chances of re-election):

- Give increased voice to local communities and institute revenue sharing for states such as Alaska, in combination with an expedited permit process for drilling = 40 points
- Give increased voice to local communities and institute revenue sharing for states such as Alaska (without expediting the permit process) = 35 points
- Implement a "keep it in the ground" policy of severely restricting future oil drilling and exploration = -40 points
- Exclude offshore drilling from the bill = -10 points

Investment in Renewable Energy Sources

You assume that this will be an important issue for Adams, although it is not one of your priorities and you would be perfectly happy to leave this issue out of the bill altogether. You do not want to waste a lot of government money on subsidizing wind and solar companies, so if Adams really pushes for renewable energy subsidies, you would rather limit spending to either wind or solar, but not both. You have also heard rumblings of support among some moderate Republicans about launching a clean energy challenge, designed as a contest to encourage ingenuity by state and local governments. You think that you could potentially get behind this approach and sell it as an effort to allow specialized local solutions, as opposed to federal overreach (also, this would likely be significantly cheaper than funding development of wind and solar power).

You and your staff have assigned points to each of the five options to invest in renewable energy as follows (positive points increase your chances of re-election, negative points decrease your chances of re-election):

- Invest money in both job training and development programs for both wind and solar energy sources = -10 points
- Invest money in job training and development for wind energy sources only = -7 points
- Invest money in job training and development for solar energy sources only = -5 points
- Launch a clean energy challenge = 10 points
- Exclude investment in renewable energy sources from the bill = 20

Funding Offsets

Funding offsets are often included in bills to help pay for new spending introduced in the bill (offsets can be either new sources of revenue or reductions in existing spending). You know that many provisions in this bill will result in increased spending, so it is crucial that the bill also include some cost-

cutting measures to demonstrate that you are fiscally prudent. Your first choice would be to sell off strategic reserves and facilitate the development of new oil fields to replace them; you feel it is important for national security that the US keep significant oil reserves available to reduce dependency on foreign oil. You would be less enthused about selling strategic reserves without a replacement plan. Approaches such as reducing subsidies for oil and gas companies, proposed by some Democrats, would upset both your base and your donors.

You and your staff have assigned points to each of the four funding offset options as follows (positive points increase your chances of re-election, negative points decrease your chances of re-election):

- Sell off strategic reserves and facilitate the development of new oil fields to replace reserves = 40 points
- Sell off strategic reserves without addressing replacement = -10 points
- Reduce subsidies to oil and gas companies = -20 points
- Exclude funding offsets from the bill = -20 points

Safeguarding the Electric Grid

In the wake of recent cyberattacks, you feel it is necessary that the Senate take steps to protect the electric grid; this is too important an issue to ignore or sideline, and you want to show voters you are taking action. Therefore, you support the establishment of a commission to explore the issue in more detail and share technical information and recommendations—and then you want to allow the states to enact the recommendations that make sense for them. Ideally, however, you would prefer to limit any increased funding for such a program. At the same time, you want to be sensitive to business interests, and avoid costly federal regulations and rigid technological requirements. This will hurt businesses, will not allow for flexibility to adapt to new cyber threats, and will upset the Chamber of Commerce who is a crucial donor for your upcoming re-election.

You and your staff have assigned points to each of the four options to safeguard the electric grid (positive points increase your chances of re-election, negative points decrease your chances of re-election):

- Pass new requirements specifying the technology to be installed by all power-producing firms = -15 points
- Establish a commission to make recommendations to safeguard the grid, and provide money to states to enact the recommendations = 25 points
- Establish a commission to make recommendations to safeguard the grid, but do not fund implementation = 30 points
- Exclude safeguarding the electric grid from the bill = - 10 points

Objectives for Your Meeting with Avery Adams

Your immediate objective in meeting with Senator Adams is to agree on the components of an energy bill that you can jointly present to the Energy and Natural Resources Committee (with the larger long-term goal of getting the bill through the committee, put up for a vote by the full Senate, and passing the Senate with at least 60 votes). You hope to shape the bill to be as advantageous to your re-election campaign and as appealing to your donors, constituents, and party as possible, as measured by net points; however, you recognize that you still need to get Senator Adams to agree and you will need to carry enough Democrat votes to pass the Senate. You should not agree to any package of components in the bill that yields a net negative point total, as that would damage your chances of re-election; your aim is to create a strongly favorable bill that will help you and your campaign advance (the higher the net point total, the better).

Important Notes

Be prepared to report your results following the negotiation. At the end of the negotiation period, or when you reach an agreement if earlier, **all negotiators must complete and sign the results survey** (whether or not you reach agreement).

Please DO NOT show your CONFIDENTIAL negotiation instructions to your negotiation counterpart. During the negotiation, you have the freedom to convey as much or as little information as you choose, but under no circumstances should you let your counterpart see your confidential information (you should also avoid looking at your counterpart's confidential information).

Confidential Summary of Expected Results of Energy Bill for Sen. Brown

NUCLEAR POWER

- REFURBISH EXISTING FACILITIES AND INCENTIVIZE NEW NUCLEAR FACILITIES — 40 points
- REFURBISH EXISTING FACILITIES ONLY — 20 points
- INCREASE REGULATION AND MONITORING OF EXISTING FACILITIES AND HALT NEW NUCLEAR FACILITIES — -30 points
- EXCLUDE NUCLEAR POWER FROM THE BILL — -10 points

ADDRESSING CLIMATE CHANGE

- SUPPORT THE PARIS CLIMATE AGREEMENT, INCREASE FUEL ECONOMY STANDARDS, STRENGTHEN MODEL BUILDING CODES, AND FUND RESPONSE TO RISING SEA LEVELS — -50 points
- INSTITUTE A CARBON TAX AND FUND RESPONSE TO RISING SEA LEVELS — -30 points
- INSTITUTE A CAP AND TRADE SYSTEM AND FUND RESPONSE TO RISING SEA LEVELS — -20 points
- FUND RESPONSE TO RISING SEA LEVELS — 20 points
- EXCLUDE CLIMATE CHANGE FROM THE BILL — 50 points

OFFSHORE DRILLING

- GIVE INCREASED VOICE TO LOCAL COMMUNITIES AND INSTITUTE REVENUE SHARING FOR STATES SUCH AS ALASKA, IN COMBINATION WITH AN EXPEDITED PERMIT PROCESS FOR DRILLING — 40 points
- GIVE INCREASED VOICE TO LOCAL COMMUNITIES AND INSTITUTE REVENUE SHARING FOR STATES SUCH AS ALASKA (WITHOUT EXPEDITING THE PERMIT PROCESS) — 35 points
- IMPLEMENT A “KEEP IT IN THE GROUND” POLICY OF SEVERELY RESTRICTING FUTURE OIL DRILLING AND EXPLORATION — -40 points
- EXCLUDE OFFSHORE DRILLING FROM THE BILL — -10 points

INVESTMENT IN RENEWABLE ENERGY SOURCES

- INVEST MONEY IN BOTH JOB TRAINING AND DEVELOPMENT PROGRAMS FOR BOTH WIND AND SOLAR ENERGY SOURCES — -10 points
- INVEST MONEY IN JOB TRAINING AND DEVELOPMENT FOR WIND ENERGY SOURCES ONLY — -7 points
- INVEST MONEY IN JOB TRAINING AND DEVELOPMENT FOR SOLAR ENERGY SOURCES ONLY — -5 points
- LAUNCH A CLEAN ENERGY CHALLENGE — 10 points
- EXCLUDE INVESTMENT IN RENEWABLE ENERGY SOURCES FROM THE BILL — 20 points

FUNDING OFFSETS

- SELL OFF STRATEGIC RESERVES AND FACILITATE THE DEVELOPMENT OF NEW OIL FIELDS TO REPLACE RESERVES — 40 points
- SELL OFF STRATEGIC RESERVES WITHOUT ADDRESSING REPLACEMENT — -10 points
- REDUCE SUBSIDIES TO OIL AND GAS COMPANIES — -20 points
- EXCLUDE FUNDING OFFSETS FROM THE BILL — -20 points

SAFEGUARDING THE ELECTRIC GRID

- PASS NEW REQUIREMENTS SPECIFYING THE TECHNOLOGY TO BE INSTALLED BY ALL POWER-PRODUCING FIRMS — -15 points
- ESTABLISH A COMMISSION TO MAKE RECOMMENDATIONS TO SAFEGUARD THE GRID, AND PROVIDE MONEY TO STATES TO ENACT THE RECOMMENDATIONS — 25 points
- ESTABLISH A COMMISSION TO MAKE RECOMMENDATIONS TO SAFEGUARD THE GRID, BUT DO NOT FUND IMPLEMENTATION — 30 points
- EXCLUDE SAFEGUARDING THE ELECTRIC GRID FROM THE BILL — -10 points