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## **Guest Viewpoint**

# **Carbon fee/dividend plan could help save planet**

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Climate change is an urgent issue that threatens everyone on Earth. We simply cannot afford to treat it as a partisan political issue and become stalled in gridlock. How can we join together to move ahead on this problem?

There is a nonpartisan proposal that is available, that will work, and has been gathering increasing support: the Carbon Fee and Dividend proposal set forth by Citizens Climate Lobby, a nonprofit grass-roots organization founded in 2007. The proposal can reduce greenhouse gas emissions 52 percent below 1990 levels within 20 years while generating a healthy economy and saving lives.

Here's how it works: The U.S. Treasury would collect a fee on all fossil fuels and other greenhouse gas producers at the point where they first enter the economy. This minimizes the number of collection points. This fee would naturally be passed down the energy supply chain to retailers and their customers.

The first year of the program, a fee of \$15 per ton on greenhouse gas emissions would be collected. Every year after that, this original \$15 fee would be increased an additional \$10 per ton, so the second year the fee would be \$25 per ton, the third year \$35 per ton, and so on.

Using gasoline as an example, the fee would result in a cost increase at the pump of about 13 cents per gallon for the first year of the program, and increase about another 8 cents a gallon each year after that.

Here is the good news: the money collected is not retained by the government. One hundred percent of the net fees collected are to be held in a Carbon Fees Trust fund and returned directly to households as a monthly (or yearly) dividend. The amount received would be the same for all adults, regardless of personal income. Children under 18 years old receive a one-half payment each month, with a limit of two children per family.

The monthly dividend for a household of four would be about \$40 per month the first year and grow progressively each year, reaching \$280 the 10th year, and \$400 a month by the 20th year. About two-thirds of households will break even or receive more from dividends than they would pay in higher prices.

There will also be import fees on products imported from countries without a carbon fee. This will discourage businesses from relocating where they can emit more carbon dioxide and keep jobs in the U.S. It would also motivate other countries to adopt similar carbon pricing policies.

The result? Without creating a complex regulation system, the Carbon Fee and Dividend program would create a price advantage for products that have low carbon footprints and thus encourage people to buy them. Increased product demand causes more producers of low-carbon products to be drawn into the market, and also stimulates research and innovation in low greenhouse gas technology and products.

The boom resulting in industries with low carbon footprints (such as solar and wind power) will create over 20 years a net gain of 2.8 million jobs nationally in these industries, according to a study from Regional Economic Models Inc. Those selling products with a large carbon footprint will have great incentive to make changes.

The REMI study also estimates CO<sub>2</sub> emissions would decrease to 33 percent below 1990 levels after only 10 years, and to 52 percent below after 20 years. Additionally, 230,000 premature deaths would be avoided over 20 years due to reduction of air pollutants.

A May 2013 study by the Congressional Budget Office found that a carbon fee of only \$20 a ton would result in an 8 percent reduction in national emissions.

Congress has already started to move in the direction of such nonpartisan solutions. Last February, the Climate Solutions Caucus was created in the U.S. House of Representatives. The caucus is required to maintain an equal number of Republicans and Democrats at all times, and had already reached 52 members as of August.

All of us can take action. Let your local, state, and federal government officials know how you feel, go to town forums, write letters to newspapers, and talk to your friends about the importance of climate change. Find ways to educate yourself and others about these issues. Detailed information is available at [citizensclimatelobby.org](http://citizensclimatelobby.org)

James Hansen, renowned climate scientist and Citizens Climate Lobby Advisory Board member, has said “If you want to join the fight to save the planet, to save creation for your grandchildren, there is no more effective step you could take than becoming an active member of this group.”

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