

## Obama's Second Chance on the Predominant Moral Issue of this Century

President Obama, finally, took a get-involved get-tough approach to negotiations on health care legislation and the arms control treaty with Russia – with success. Could this be the turn-around for what might still be a great presidency?

The predominant moral issue of the 21<sup>st</sup> century, almost surely, will be climate change, comparable to Nazism faced by Churchill in the 20<sup>th</sup> century and slavery faced by Lincoln in the 19<sup>th</sup> century. Our fossil fuel addiction, if unabated, threatens our children and grandchildren, and most species on the planet.

Yet the President, addressing climate in the State-of-the-Union, was at his good-guy worst, leading with "I know that there are those who disagree..." with the scientific evidence. This weak entrée, almost legitimizing denialists, was predictably greeted by cheers and hoots from well-oiled coal-fired Congressmen. The President was embarrassed and his supporters cringed.

This is not the 17<sup>th</sup> century, when "beliefs" trumped science, forcing Galileo to recant his understanding of the solar system. The President should unequivocally support the climate science community, which is under politically orchestrated assault on the legitimacy of its scientific assessments. If he needs reassurance or cover, the President can ask for a prompt report from the National Academy of Sciences, established by Abraham Lincoln for advice on technical issues.

Why face the difficult truth presented by the climate science? Why not use the President's tack: just talk about the need for clean energy and energy independence? Because that approach leads to wrong policies, ineffectual legislation larded with giveaways to special interests, such as the Waxman-Markey bill in the House and the bills being considered now in the Senate.

The fundamental requirement for solving our fossil fuel addiction, and moving to a clean energy future, is a rising price on carbon emissions. Otherwise, if we refuse to make fossil fuels pay for their damage to human health, the environment, and our children's future, fossil fuels will remain the cheapest energy and we will squeeze every drop from tar sands, oil shale, pristine lands, and offshore areas.

An essential corollary to the rising carbon price is 100 percent distribution of collected fees to the public – otherwise the public will never allow the fee to be high enough to affect lifestyles and energy choices. The fee must be collected from fossil companies across-the-board at the mine, wellhead or port of entry. Revenues should be divided equally among all legal adult residents, with half-shares for children up to two per family, distributed monthly as a "green check". Part of the revenue could be used to reduce taxes, provided the tax reduction is transparent and verifiable.

The rising carbon price will affect almost everything. People's purchases will reflect a desire to minimize their costs. Food from nearby farms will benefit; imports from half way around the world will decline. Renewable energies, other carbon-free energies, and energy efficiency will grow; fossil fuels will decline.

The fee-and-green-check approach is transparent, fair and effective. Congressman John Larson defined an appropriate rising fee. \$15 per ton of carbon dioxide the first year and \$10 more per ton each year. Economic modeling shows that carbon emissions would decline 30 percent by 2020. The annual dividend then would be \$2000-3000 per legal adult resident, \$6000-9000 per family with two or more children.

About sixty percent of the public would receive more in the green check than they pay in added energy costs. People will set their net cost or gain via their energy and other consumer choices. Dividends could be adjusted state-by-state to prevent transfer of wealth from one part of the country to another.

Religions across the spectrum – Catholics, Jews, Mainline Protestants, Eastern Orthodox, and Evangelicals – are united in seeing climate change as a moral and ethical challenge. The Religious Coalition on Creation Care is working with the Citizen's Climate Lobby, the Price Carbon Campaign, and economists at the Carbon Tax Center to help promote this honest and effective energy and climate policy. The public, if well-informed, can be expected to support this policy.

But so far Congress has been steamrolled by special interests. Congressional leaders add giveaways in their bills to attract industry support and specific votes. The best of the lot, the Cantwell-Collins bill, returns 75 percent of the revenue to the public. But it is still a cap-and-trade scheme, and its low carbon price and offset-type projects create little incentive for clean energy and would have only small impact on carbon emissions.

Can the cacophony of special interests be overcome? There is one way: the President must get involved. He must explain the situation to the public and use his bully pulpit to persuade Congress to do what is right for the nation and future generations.

He must explain that a rising carbon price is needed to phase out our fossil fuel addiction. The dividend will provide the public the means to move to a clean energy future, stimulating the economy.

Carbon fee and dividend is the base policy needed to move the nation forward to a clean energy future. It must be supplemented by other actions including building and efficiency standards, and public investment in improved infrastructure and technology development.

Congress has a role to play toward these ends, but it is the rising carbon price will make them feasible. Investment decisions are best left to the private sector. The government can provide loan guarantees for nuclear power and support development of trial carbon capture storage, but these energies must compete with energy efficiency and renewable energies in a free market.

The best part about a simple honest rising carbon price is that it provides the only realistic chance for an international climate accord. President Obama was right to abandon the 192-nation debate. The need is for an agreement between the two dominant emitters: the United States and China.

China will never agree to the "cap" approach that Congress favors. Developing nations will not cap their economies. But China is willing to negotiate a carbon price. How can I say that with confidence?

China is making enormous investments in nuclear power, wind power, and solar power. They want to avoid the fossil fuel addiction of the United States. They want to clean up their atmosphere and water. They want to protect the several hundred million Chinese living near sea level. They know that their clean fuels will win out only if fossil fuels are made to pay for damages that they cause.

Once the United States and China agree on a carbon price, most other nations will accept the same. Products made by nations that do not have a carbon price can be charged an equivalent duty under existing rules of the World Trade Organization. That will convince most nations to join, so they can collect the tax themselves.

Perhaps posterity may remember that Obama reduced the number of nuclear-tipped missiles, or that he added ten percent of Americans to the health care rolls. But if he dreams of being a great President, he needs to take on the great moral challenge of our century.