

## **People's Climate Stewardship / Carbon Fee and Dividend Act of 2010:**

### **Proposed Findings:**

1. **Causation**: The overwhelming consensus of peer-reviewed literature by climate scientists worldwide indicates that burning of fossil fuels is increasing atmospheric CO2 levels which, along with emissions of other greenhouse gases, is causing an accelerating rise in global temperatures and ocean acidification,
2. **Mitigation (return to 350 ppm or below)**: Current atmospheric CO2 levels of 387 parts per million ("ppm") are the highest in human history. A rapid return to levels of 350 ppm CO2 or less is necessary to slow or stop the rise in global temperatures and ocean acidification,
3. **Endangerment**: We face a global climate emergency. Further increases in global temperatures and ocean acidification pose imminent and substantial dangers to human health, the natural environment, the economy and national security and an unacceptable risk of unmanageable catastrophic impacts to human civilization,
4. **The False Economy of Cheap Fossil Fuels**: Fossil fuel prices currently do not reflect their true, long term-costs to society, the environment and future generations. This false economy of cheap fossil fuels is obstructing an economy-wide transition to low carbon energy sources.
5. **Benefits of Carbon Fees**: Steadily-increasing carbon fees on fossil fuels are the most efficient, transparent and enforceable mechanism to drive an effective and fair transition to a low-carbon economy. They will stimulate investment in low-carbon technologies, create powerful, predictable incentives for businesses and households to increase their energy-efficiency and reduce their carbon footprints and harmonizing carbon tariffs will create incentives for other nations to enact carbon fees,
6. **Co-Benefits**: Adding carbon fees to the prices of fossil fuels will have many additional benefits, including: 1) reducing dependence on foreign oil, 2) stimulating advances in low-carbon energy technology, 3) job growth in low-carbon energy and energy conservation, efficiency and retrofitting, 4) reducing conventional (non-greenhouse-gas) pollutants emitted by fossil fuel burning which cause health and environmental harm,
7. **Return Revenue**: All revenue from carbon fees should be returned to households equitably, in order to build broad public support and ensure that families can afford the energy they need during the transition from fossil fuels to cleaner energy,

### **Therefore, we propose the People's Climate Stewardship Act:**

1. **Collection of Carbon Fees/Carbon Fee Trust Fund**: Beginning on July 1, 2011, a carbon fee of \$15 per ton of CO2 equivalent emissions will be imposed on all fossil fuels at the point of first sale in the U.S. economy. CO2 equivalent fees shall also be imposed for other greenhouse gases

including methane, nitrous oxide, sulfur hexafluoride, hydrofluorocarbons (HFCs) emitted as byproducts, perfluorocarbons, and nitrogen trifluoride. All fees are to be returned to American households as outlined below.

2. **Steady step-up of CO<sub>2</sub> Fees, Ensuring Replacement of Fossil Fuels with Low-Carbon Energy:** The yearly increase in carbon fees including other greenhouse gasses shall be at least \$10 per ton of CO<sub>2</sub> equivalent each year, to steadily reduce U.S. CO<sub>2</sub>-equivalent emissions by 2050 to 10% of the 1990 U.S. CO<sub>2</sub>-equivalent emissions. EPA and DOE shall annually review greenhouse gas emissions data and determine whether an increase larger than \$10 per ton per year is needed to achieve emissions reductions commensurate with that reduction trajectory. If EPA and DOE find that U.S. emissions are not being reduced sufficiently, the CO<sub>2</sub> fee shall increase by \$15/T CO<sub>2</sub> in the following year. [Modeled after Rep. Larson's [H.R. 1337](#) "America's Energy Security Trust Fund Act."]
3. **Mechanisms for 100% Revenue Return:** All revenue from CO<sub>2</sub> and CO<sub>2</sub> equivalent fees shall be returned to households. Mechanisms include: (1) Equal monthly per-person "dividend" payments made to all U.S. households (1/2 per child under 18 years old, with a limit of 2 children per family) each month beginning on August 28, 2011, (2) Use all carbon fee revenue to reduce payroll taxes for employers and employees. Unemployed persons and Social Security recipients shall receive equivalent distributions.
4. **Border Adjustments:** To ensure that U.S.-made goods remain competitive abroad and to provide an additional incentive for U.S. trading partners to adopt their own carbon fees, Carbon-Fee-Equivalent Tariffs shall be charged for goods entering the U.S. from countries without comparable Carbon Fees. Carbon-Fee-Equivalent rebates shall reduce the price of exports to such countries and ensure that U.S. goods remain competitive in those countries.
5. **Phase Out of Fossil Fuel Subsidies :** All existing subsidies of fossil fuels including tax credits, shall be phased out within 5 years.
6. **Moratorium on New or Expanded Coal-Fired Power Plants without CCS:** No new coal-fired power plants shall be permitted, constructed, or operated. No expansions in capacity of any existing coal power plants shall be permitted, constructed, or operated. [Exception: Permits may be issued for facilities that successfully demonstrate safe and effective long-term Carbon Capture and Sequestration of at least 90% of CO<sub>2</sub> emissions.]
7. **Seeking Treaties:** The President shall seek treaties with other countries that encourage adoption of similar programs to reduce CO<sub>2</sub> and other greenhouse gas emissions worldwide.

*Proposed by Dr James Hansen: Earth Day, April 25, 2010.*

More information at the Carbon Tax Center: <http://www.carbontax.org>.

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