

Citizens' Climate Lobby

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We all share responsibility for Obama's legacy on climate change

The president's initiatives alone will not be enough. To preserve a livable world, Congress must also enact a revenue-neutral fee on carbon.

With President Obama looking to the future in his final [State of the Union address](#), two things quickly became clear. First, the legacy of his tenure in office weighs heavily on his mind. And second, the legacy with the greatest impact on future generations may well be the course set to preserve a livable world by addressing climate change.

Challenging those who resist efforts to deal with the growing threat of climate change, Obama said:

"Look, if anybody still wants to dispute the science around climate change, have at it. You'll be pretty lonely, because you'll be debating our military, most of America's business leaders, the majority of the American people, almost the entire scientific community, and 200 nations around the world who agree it's a problem and intend to solve it.

“But even if the planet wasn't at stake; even if 2014 wasn't the warmest year on record – until 2015 turned out even hotter – why would we want to pass up the chance for American businesses to produce and sell the energy of the future?”

Continuing, the president told the American people what needs to happen next:

“Now we've got to accelerate the transition away from dirty energy. Rather than subsidize the past, we should invest in the future – especially in communities that rely on fossil fuels. That's why I'm going to push to change the way we manage our oil and coal resources, so that they better reflect the costs they impose on taxpayers and our planet. That way, we put money back into those communities and put tens of thousands of Americans to work building a 21st century transportation system. None of this will happen overnight, and yes, there are plenty of entrenched interests who want to protect the status quo. But the jobs we'll create, the money we'll save, and the planet we'll preserve – that's the kind of future our kids and grandkids deserve.”

Delivering “the kind of future our kids and grandkids deserve” has been an uphill struggle, but one that Obama has embraced.

With Congress failing to pass effective climate legislation during his first term, the president took the initiative with executive actions like the [Clean Power Plan \(CPP\)](#), which is projected to reduce carbon emissions from power plants 32 percent by 2030. Because of the CPP and other actions – such as improved fuel efficiency for vehicles – the U.S. was able to commit in the recent Paris climate accord to reducing greenhouse gas emissions [26% to 28% below 2005 levels](#) by 2025, thus providing the leadership for other nations to join the landmark global agreement on climate change.

As organizers of the Paris conference admit, national commitments to reduce greenhouse gas emissions will be [insufficient to prevent global warming](#) from exceeding 2 degrees Celsius above pre-industrial levels (the threshold that [scientists warn is the breaking point](#) for our climate). What's more, many scientists are convinced that warming must now be [contained to 1.5 C](#) in order to avoid catastrophic effects, making the need to ratchet up the Paris pledges all the more critical. For that reason, the agreement calls for nations to revisit their commitments every five years, with the expectation that national goals will be made increasingly ambitious.

Though the Paris accord does not establish a global price on carbon, there is a [growing consensus](#) that the nations of the world will need to implement some form of carbon pricing in order reach emissions targets. On the first day of the Paris climate conference, therefore, six global leaders, the World Bank, and the International Monetary Fund [called on the world to price carbon](#) as the key to fighting climate change and transforming the global economy. Also at the conference, the [Carbon Pricing Leadership Coalition](#) was officially launched with the aim of all nations adding carbon pricing to their national climate strategies by 2020 (when the Paris accord is scheduled to take effect). More recently, a [report from the IMF](#) this week said that carbon pricing regimes should be “front and centre” in efforts to mitigate climate change, and are the most effective tools for reducing greenhouse gas emissions.

America's leadership in the run up to December's climate conference, including initiatives to reduce U.S. emissions and a [climate agreement with China](#), played a crucial role in the successful outcome in Paris. As we move beyond Paris, that leadership is needed again to inspire and motivate the nations of the world to adopt carbon pricing plans that are fair, transparent, efficient, and cost-effective.

This is an area, however, where the president is unable to act alone. Obama's legacy on climate change is shared by all of us, particularly Congress. As much as the president, we are responsible for the type of world future generations will inherit.

Congress must therefore enact legislation that places an effective price on carbon, one capable of driving the steep reductions in greenhouse gas emissions needed to stay within the tipping-point threshold of 2 degrees Celsius.

But, given the partisan divide that currently exists on the climate issue, is such congressional action possible? At Citizens' Climate Lobby, we see indications that legislation to price carbon is indeed possible, especially if it is revenue-neutral.

Last fall, a [resolution was introduced](#) in the House of Representatives – H. Res 424, now sponsored by 12 Republicans – that acknowledged the problem of climate change and urged Congress to work on economically viable solutions.

One such "economically viable" solution that both Republicans and Democrats could support is [Carbon Fee and Dividend](#). This market-based approach would place a fee on carbon and return all revenue to American households. Meanwhile, border tariffs on imports from nations that lack an equivalent price on carbon would protect American businesses and provide the incentive for all nations to establish a price on carbon.

A [study released in 2014](#) from Regional Economic Models, Inc. (REMI), confirmed that Carbon Fee and Dividend would achieve the necessary reductions in greenhouse gas emissions while also benefitting the economy. REMI analyzed a fee on fossil fuels, starting at \$10 per ton of CO₂ and rising \$10 per ton annually. After 20 years, CO₂ emissions would fall 50 percent below 1990 levels, while the stimulus of recycling the carbon fee revenue back into the economy would add 2.8 million jobs over baseline growth.

With few exceptions, Republicans in the House and Senate oppose the use of EPA regulations to reduce greenhouse gas emissions and are hopeful that the courts will block the Clean Power Plan. However, EPA head Gina McCarthy expects that the [regulations will be upheld](#) in federal court this spring. When that happens, Republicans are likely to take a closer look at market-based alternatives like Carbon Fee and Dividend.

Despite the headlines focusing on the political divide that exists on climate change, more and more conservatives, like former Secretary of State [George Shultz](#) and Niskanen Center President [Jerry Taylor](#), are calling for revenue-neutral approaches to carbon pricing that can reduce emissions without increasing the size of government. Increasing numbers of Republicans in Congress hear that call and are eager to be part of the solution.

Obama's legacy on climate change can and must be shared by everyone.

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