CONTRA COSTA COUNTY
SUSTAINABILITY COMMISSION
An Advisory Body to the Board of Supervisors

30 Muir Road
Martinez, California 94553

July 16, 2018

The Honorable John Gioia and Federal Glover,
Contra Costa County Supervisors
Ad Hoc Sustainability Committee
651 Pine St.
Martinez, CA 94553

Dear Messrs. Gioia and Glover,

At its June 25th meeting, the Contra Costa Sustainability Commission voted to recommend to the Board of Supervisors that it support adoption of a national carbon fee and dividend (CF&D) in the County's Federal Legislative Platform.

The request for this recommendation was presented to the Sustainability Commission by members of the Contra Costa Chapter of the Citizens' Climate Lobby (CCL), a national organization. While our discussion considered the basic mechanism of CF&D, commissioners focused on the economic impact a carbon tax would have on low-income residents of our county. The advocates for the plan highlighted the progressive effect of distribution of 100% of the net revenue, and cited a study showing that most residents would receive more in dividends than they pay in rising costs.

The rationale for carbon pricing is well-established. A price on carbon corrects a massive market failure by incorporating the environmental and social costs of greenhouse gas emissions into the price of goods and services. Validating this economic tenet is the fact that 45 national and 25 sub-national jurisdictions now put a price on carbon, covering about 12% of global emissions. [1] The calls for carbon pricing are growing, both domestically[2] and abroad.

There are many approaches to carbon pricing. Why should Contra Costa County advocate for a carbon fee and dividend system? To answer that question, we reviewed CF&D's three core features:

- A national carbon tax, starting at a relatively low rate and increasing predictably and steadily over the years, is a market-based solution that sends a clear price signal to businesses to develop and use low- or no-carbon-based energy resources. The rising cost of carbon-intensive products and services also incentivizes consumers to choose "greener" alternatives.
- One-hundred percent of net fees are returned to households in equal shares as monthly dividends. Two-thirds of all Americans will break even or come out ahead, as their dividends match or exceed price increases due to the tax. (See attachment showing household impacts for U.S. Congressional District 11. Studies for other Congressional districts in our county are available.)

[1] Carbon Pricing Dashboard, The World Bank. https://carbonpricingdashboard.worldbank.org/

[2] "New Group, With Conservative Credentials, Plans Push for Carbon Tax," New York Times, June 19, 2018. https://www.nytimes.com/2018/06/19/climate/carbon-tax-climate-change.html

Lower-income households receive a proportionately greater benefit because they spend proportionately more on transportation, heating, and food.

- A border adjustment will level the playing field for American businesses and motivate other countries to establish their own carbon pricing. Import fees on products from countries without a carbon fee, along with rebates to US industries exporting to those countries, will discourage American firms from relocating.

A study conducted by a non-partisan economic modeling firm, Regional Economic Models, Inc. (REMI), predicted that during the first 20 years, the CF&D policy advocated by CCL would lead to a 50% reduction of carbon emissions below 1990 levels; the addition of 2.8 million jobs above baseline, driven by the economic stimulus; and the avoidance of 230,000 premature deaths due to reductions in air pollutants that accompany carbon emissions.[3]

These arguments have led 5 counties and 23 cities in California, and the State of California to pass resolutions endorsing a national revenue-neutral carbon tax. (See attachments.)

Our County's Climate Action Plan affirms the connection between local air quality and federal policy. Measure GO 5 (action item 5, bullet 2) calls on the County to "advocate for regional, state, and federal activities that support GHG emissions in the county, including adoption of language in the County's state and federal legislative platforms that directs support and lobbying for local GHG reductions."

These environmental, economic and health-related justifications for a revenue-neutral carbon tax are compelling. But we also recognize a valid objection to the CF&D plan: Rather than returning 100% of the revenue in equal share to all households, why not allocate portions for renewable energy development, assistance to those bearing the brunt of climate change impacts, and programs to help workers who will lose jobs in the transition to a low-carbon economy?

These are all worthy claims for public investment and assistance. One of the Commission members, who is also a member of the Citizens' Climate Lobby, states that political considerations argue against using revenue from carbon fees to address those legitimate needs. Consider the consequences of adopting policies that pick winners and losers ("Why stimulate solar but not biomass?"), or assists one group rather than another ("Why that refinery fence-line community but not our coastal town?"), or provides transitional training for some workers but not others ("Pipefitters but not electricians?").

The result would be a splintering of support for the carbon tax along partisan and geographic fault lines. Its passage and long-term survival require that the plan not "grow government" and lose broad public support by requiring costly regulatory apparatus, means-testing, and oversight.

For a plan to withstand political buffeting, its range of benefits must be distributed equally to all citizens—no matter where they live, how they make their living, who they vote for, or how they choose to spend their money.

For all of the reasons set forth here, a 7-1 majority of Sustainability Commission members recommend that the Ad Hoc Sustainability Committee place a motion before the Board of

---

[3] For summary and full REMI report, see https://citizensclimatelobby.org/remi-report/

Supervisors supporting adoption of a revenue-neutral national carbon fee and dividend plan in the County's Federal Legislative Platform.

Sincerely,

Howdy Goudey
Vice-Chair, Contra Costa Sustainability Commission

Citizens' Climate Lobby

What is Carbon Fee and Dividend?

Carbon Fee and Dividend is the policy proposal created by Citizens' Climate Lobby (CCL) to put a federal price on carbon-based fuels so that their consumer cost reflects their true costs to society.

It's the policy that both climate scientists and economists say is the best first-step to reduce the likelihood of catastrophic climate change from global warming.

Why Carbon Fee and Dividend?

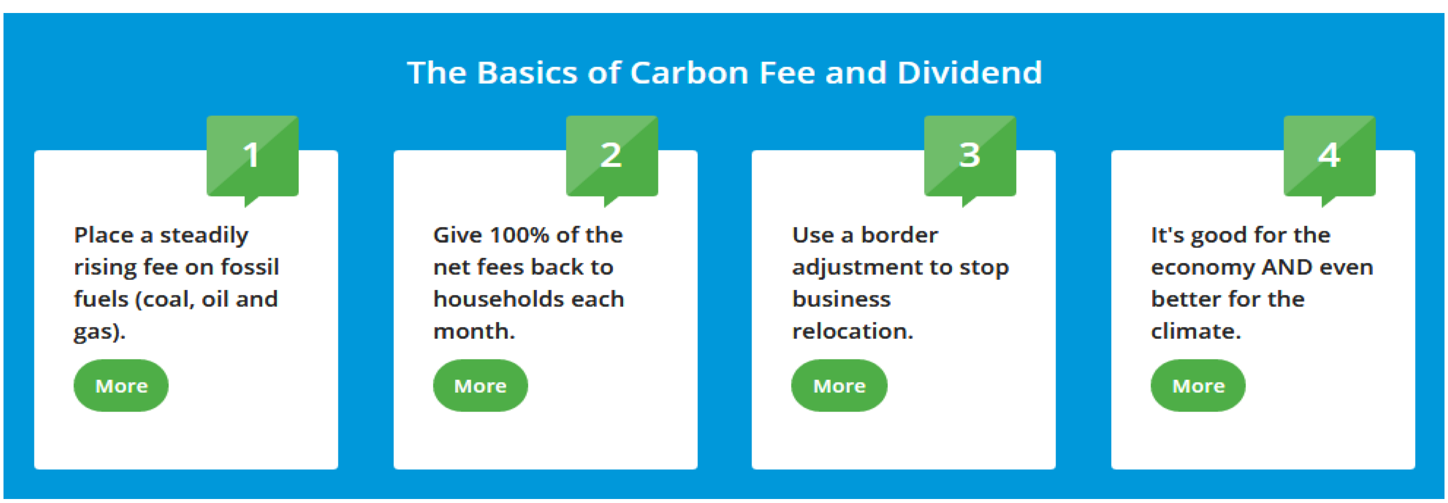
Currently, the price of fossil fuels does not reflect their true costs—including their impact on global climate. Correcting this market failure will require that their price account for the true social costs.

As long as fossil fuels remain artificially inexpensive, their use will rise. Correcting this market failure requires a federal price on carbon that accounts for their true costs.

What Will Carbon Fee and Dividend Do?

Carbon Fee and Dividend will do four things:

1. Account for the cost of burning fossil fuels in the price consumers pay.
2. Cut emissions enough to stay below the 2C threshold for "dangerous" warming.
3. Grow jobs and GDP without growing government one bit.
4. Recruit global participation.



citizensclimatelobby.org

The Text of the Carbon Fee and Dividend Proposal:

Therefore the following legislation is hereby enacted:

1. **<u>Collection of Carbon Fees/Carbon Fee Trust Fund</u>:** Upon enactment, impose a carbon fee on all fossil fuels and other greenhouse gases at the point where they first enter the economy. The fee shall be collected by the Treasury Department. The fee on that date shall be $15 per ton of CO2 equivalent emissions and result in equal charges for each ton of CO2 equivalent emissions potential in each type of fuel or greenhouse gas. The Department of Energy shall propose and promulgate regulations setting forth CO2 equivalent fees for other greenhouse gases including at a minimum methane, nitrous oxide, sulfur hexafluoride, hydrofluorocarbons (HFCs), perfluorocarbons, and nitrogen trifluoride. The Treasury shall also collect the fees imposed upon the other greenhouse gases. 100% of the net revenues are to be placed in the Carbon Fees Trust Fund and be rebated to American households as outlined below.

2. **<u>Methane Leakage</u>:** Methane is a much more potent greenhouse gas than CO2 with both direct and indirect effects contributing to warming. It is therefore important to place a fee on methane that leaks to the atmosphere. Some of this leakage will occur after the fee has been assessed on methane under the assumption that it will be burned to yield the less potent CO2. To ensure the integrity of the program and that markets receive accurate information with regard to the climate forcings caused by various fossil fuels, the carbon fee shall be assessed on such leaked methane at a rate commensurate with the global warming potential ("GWP") of methane including both its direct and indirect effects. Given the importance of tipping points in the climate system, the 20-year GWP of methane shall be used to assess the fee, and not the 100-year GWP. As proper accounting for such leakage is necessary for honest assessment of progress towards program goals, reasonable steps to assess the rate of methane leakage shall be implemented, and leaked methane shall be priced accordingly. The entity responsible for the leaked methane shall be responsible for paying the fee.

3. **<u>Emissions Reduction Targets</u>:** To align US emissions with the physical constraints identified by the Intergovernmental Panel on Climate Change (IPCC) to avoid irreversible climate change, the yearly increase in carbon fees including other greenhouse gases, shall be at least $10 per ton of CO2 equivalent each year. Annually, the Department of Energy shall determine whether an increase larger than $10 per ton per year is needed to achieve program goals. Yearly price increases of at least $10 per year shall continue until total U.S. CO2-equivalent emissions have been reduced to 10% of U.S. CO2-equivalent emissions in 1990.

4. **<u>Equal Per-Person Monthly Dividend Payments</u>:** Equal monthly per-person dividend payments shall be made to all American households (½ payment per child under 18 years old, with a limit of 2 children per family) each month. The total value of all monthly dividend payments shall represent 100% of the total carbon fees collected per month less administrative costs.

5. **<u>Border Adjustments</u>:** In order to ensure that U.S.-made goods can remain competitive at home and abroad and to provide an additional incentive for international adoptions of carbon fees, Carbon-Fee-Equivalent Tariffs shall be charged for goods entering the U.S. from countries without comparable Carbon Fees/Carbon Pricing. Carbon-Fee-Equivalent Rebates shall be used to reduce the price of exports to such countries and to ensure that U.S. goods can remain competitive in those countries. The Department of Commerce will determine rebate amounts and exemptions if any.

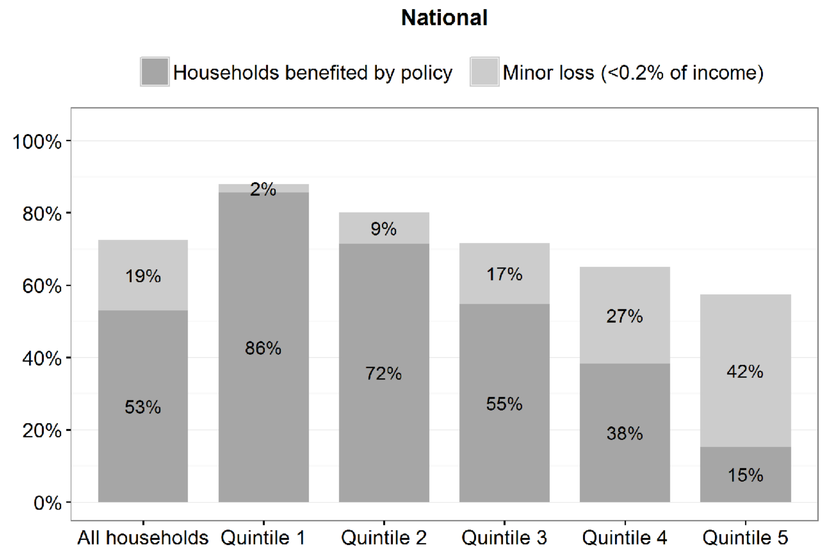
More at **citizensclimatelobby.org** and **citizensclimatelobby.org/remi-report**

Citizens' Climate Lobby

Financial Impact on Households of Carbon Fee and Dividend
Local Impacts in California - District 11

Introduction

This study on the impact to households of Carbon Fee and Dividend was funded to respond to concerns expressed by members of Congress that constituents in their district would not benefit under our proposal. Key to the concerns expressed was not only understanding how the average constituent did, but how different groups of constituents fared. Concern for low-income constituents, for instance, is common for members of both parties.

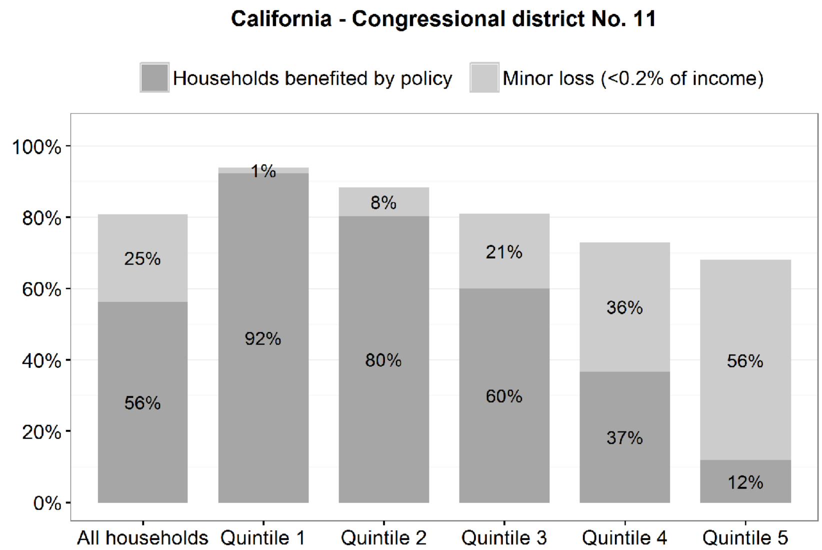


	All households	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5
Mean net benefit (% of avg. income)	$7 (0.01%)	$280 (1.78%)	$133 (0.37%)	$27 (0.05%)	$-83 (-0.10%)	$-322 (-0.18%)
Median gain (% of HH income)	$192 (0.50%)	$279 (1.95%)	$202 (0.60%)	$161 (0.29%)	$128 (0.15%)	$93 (0.07%)
Median loss (% of HH income)	$-195 (-0.25%)	$-96 (-0.79%)	$-116 (-0.38%)	$-143 (-0.29%)	$-183 (-0.24%)	$-319 (-0.20%)
Median HH income % of FPL	326%	95%	204%	326%	489%	858%

Figure 1: National Averages by Economic Quintile. Note that the three lowest-income quintiles show a benefit for the mean (average) household. The average net benefit for the lowest-income quintile is 1.78% of income, whereas households in the top quintile experience, on average, net losses that are a much smaller percentage of their total income, at just 0.18%.

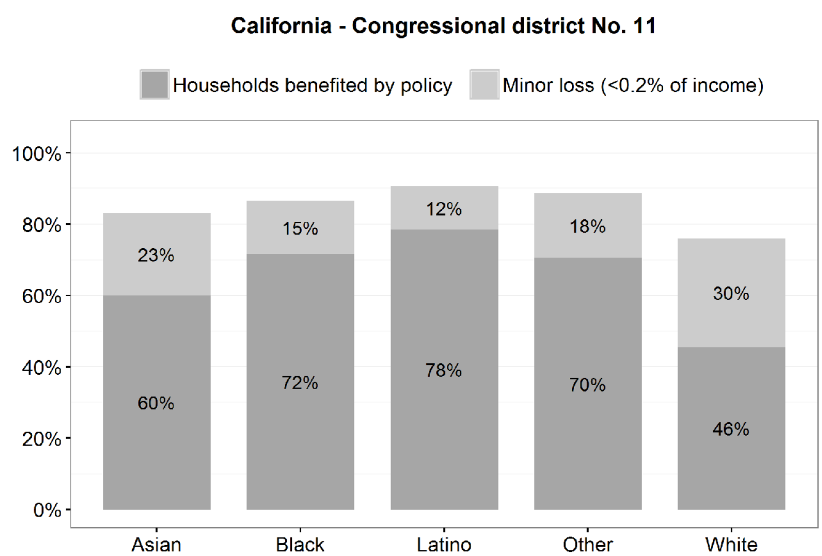
All data is from the 2016 working paper, "Impact of CCL's proposed carbon fee and dividend policy: A high-resolution analysis of the financial effect on U.S. households" by Kevin Ummel, Research Scholar, Energy Program, International Institute for Applied Systems Analysis (IIASA).

Current working paper and summary available at http://citizensclimatelobby.org/household-impact/



	All households	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5
Mean net benefit (% of avg. income)	$38 (0.04%)	$397 (1.92%)	$222 (0.44%)	$60 (0.08%)	$-106 (-0.09%)	$-381 (-0.15%)
Median gain (% of HH income)	$226 (0.46%)	$367 (1.92%)	$252 (0.53%)	$175 (0.23%)	$116 (0.10%)	$90 (0.05%)
Median loss (% of HH income)	$-210 (-0.17%)	$-94 (-0.61%)	$-102 (-0.25%)	$-128 (-0.19%)	$-188 (-0.17%)	$-359 (-0.15%)
Median HH income % of FPL	442%	113%	266%	441%	683%	1209%

Figure 2: Impact by Quintile for California - District 11. Looking at the categories on the bottom of this graph, only the numbers for “Mean Net Benefit” and “Median HH income % of FPL” include all households in a given quintile (FPL = Federal Poverty Line). Only those households who receive a financial gain are included in calculating the “Median Gain” figures, and likewise, only those households which experience a loss are included in calculating the “Median Loss” figures.



	Asian	Black	Latino	Other	White
Mean net benefit (% of avg. income)	$89 (0.08%)	$154 (0.24%)	$302 (0.43%)	$219 (0.25%)	$-82 (-0.07%)
Median gain (% of HH income)	$270 (0.45%)	$248 (0.79%)	$389 (0.81%)	$321 (0.64%)	$160 (0.29%)
Median loss (% of HH income)	$-199 (-0.17%)	$-144 (-0.19%)	$-165 (-0.17%)	$-176 (-0.16%)	$-228 (-0.17%)
Median HH income % of FPL	460%	282%	248%	290%	561%

Figure 3: Impact by Race for California - District 11. Minority households tend to do better than white households as a result of lower average incomes (associated with lower carbon footprint) and/or more people per household (larger pre-tax dividend).

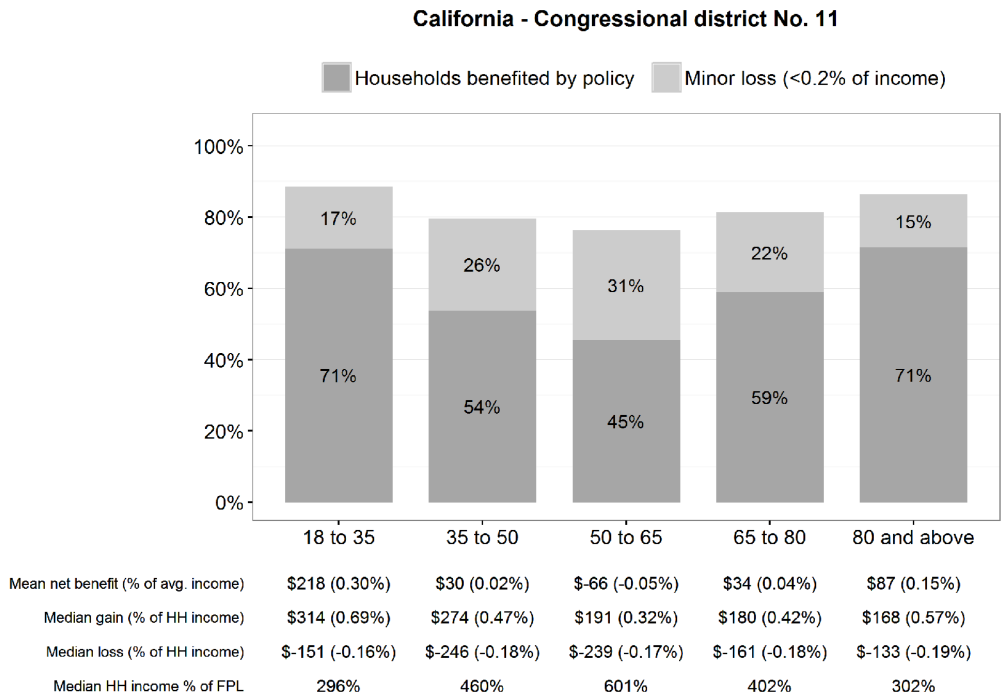


Figure 4: Impact by Age Group for California - District 11. The pattern of benefits across age groups makes sense given the impact of age on both carbon footprints and dividend received. Older households tend to have smaller footprints, reflecting reduced mobility and less consumption as a result of low fixed incomes. Younger households tend to be larger – and therefore benefited by the dividend formula – in addition to less income/consumption in early career.

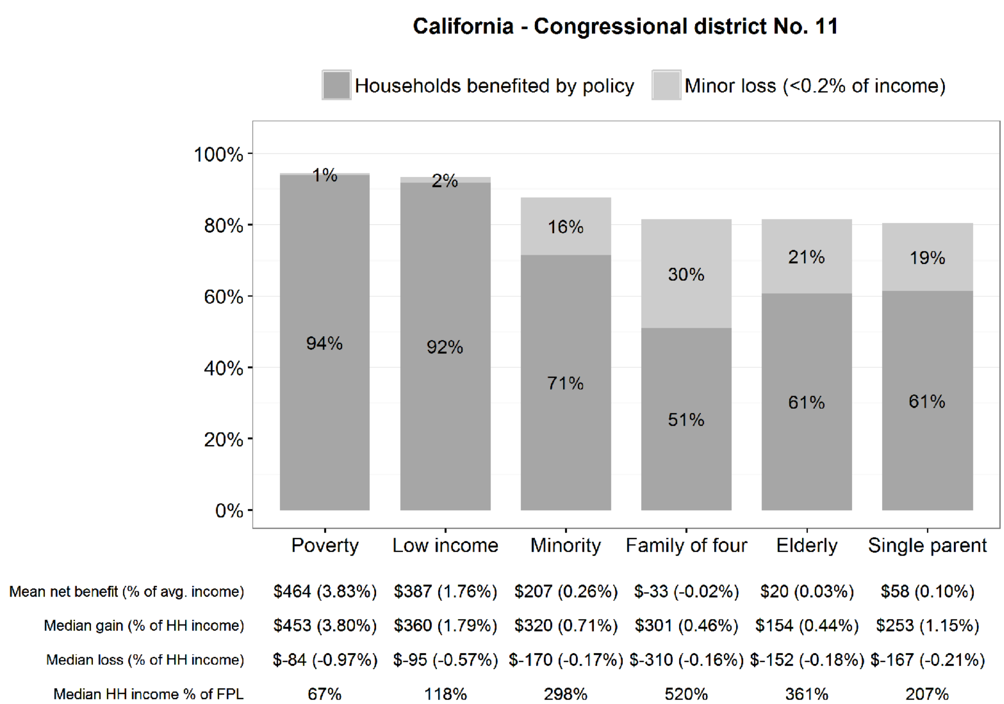
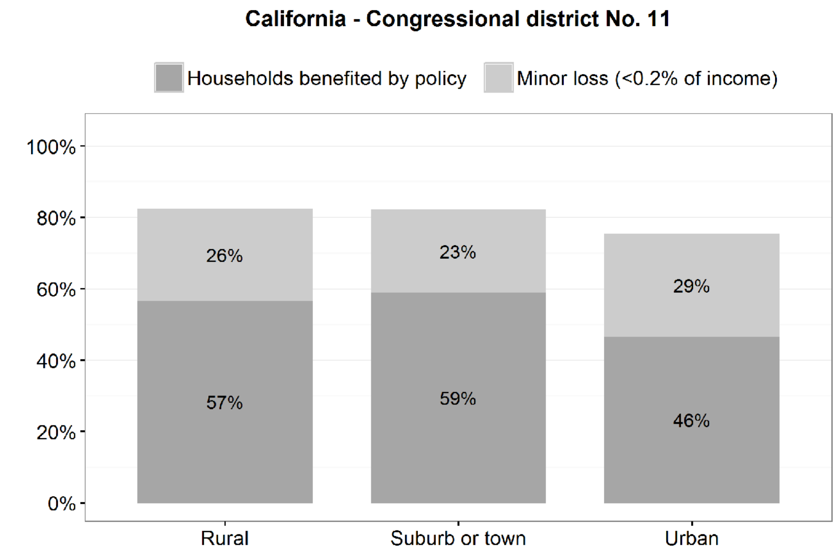


Figure 5: Impact by Household Type for California - District 11. This graph reports data for demographic groups of particular interest to many legislators. “Elderly” households are defined as having a household head age 65 or older, no more than two adults, and no children present. “Poverty” and “Low income” refer to households with income below 100% and 200% of FPL, respectively.



	Rural	Suburb or town	Urban
Mean net benefit (% of avg. income)	$72 (0.06%)	$60 (0.06%)	$-55 (-0.06%)
Median gain (% of HH income)	$293 (0.92%)	$246 (0.51%)	$145 (0.27%)
Median loss (% of HH income)	$-246 (-0.18%)	$-215 (-0.17%)	$-196 (-0.18%)
Median HH income % of FPL	366%	416%	534%

Figure 6: Impact by Community for California - District 11. This graph breaks down data by “community type” – Rural, Suburb or Town, vs Urban.

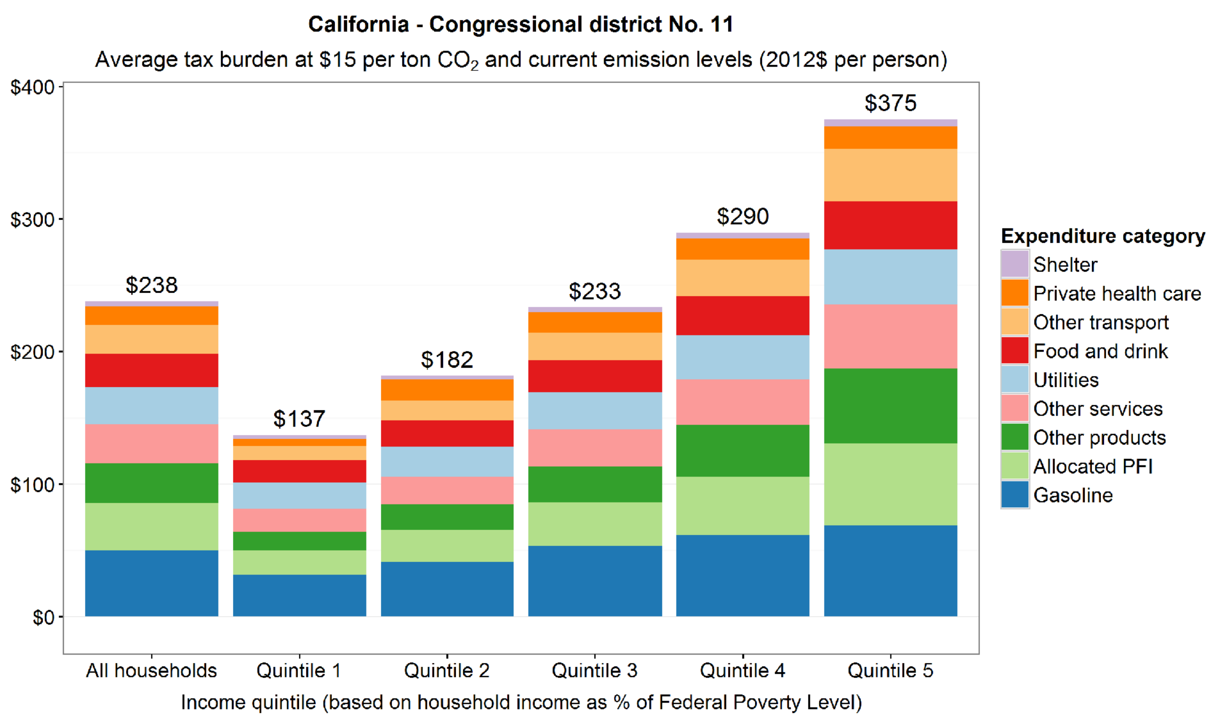


Figure 7: Expenditures by Category for California - District 11. Here we show a breakdown of where the carbon fee increases expenses (i.e. before the dividend) for each quintile. Note that direct energy expenditures (gasoline and utilities) represent less than half of the expense for most quintiles with other products and services making up the rest. Quintile 1 shows low expenditure for private health care since most health care for households in this quintile is covered by government programs. Allocated Private Fixed Income (PFI) measures economy-wide spending on fixed assets (e.g. structures, equipment, software, etc.) that are used in the production of goods and services.

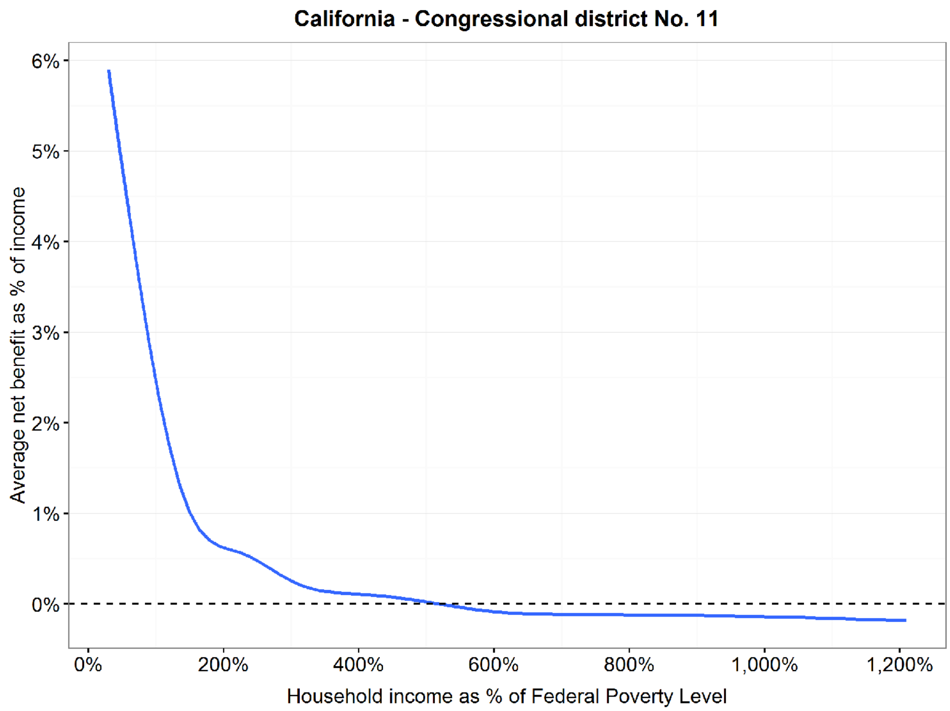


Figure 8: Relationship between benefit and income for California - District 11. This line graph shows the relationship between income expressed as a percentage of the Federal Poverty Level (FPL) vs. the average (mean) benefit as a percentage of income for households. Benefits are highest for those at the lowest income levels and generally positive through 200-300% of the FPL. Average loss for those with higher incomes is relatively small as a percentage of annual income. To avoid anomalies from small sample size at the margins, this graph does not include results for households in the bottom 1% of income, nor those above the 90th percentile of income in the district. This graph also does not convey information about how much of the population in the district is at any given point along the line.

California jurisdictions that have passed resolutions calling for a federal revenue-neutral fee and dividend plan

As of June 2018

The State of California (Assembly Joint Resolution No. 43)

Counties

County of San Francisco (Resolution 336-14)
County of San Mateo (Resolution 075519)
County of Sonoma (November 4, 2017)
County of Santa Cruz (38-2018)
County of Marin (2017-50)

Cities

Alameda
Albany
Berkeley
Claremont
Davis
El Cerrito
Encinitas
Everyville
Los Altos
Marina
Modesto
Monterey
Morro Bay
Oakland
Oroville
Petaluma
Richmond
San Carolos
San Luis Obispo
Santa Cruz
Santa Monica
Sebastopol
West Hollywood

Assembly Joint Resolution No. 43
RESOLUTION CHAPTER 168

Assembly Joint Resolution No. 43—Relative to greenhouse gases.

[Filed with Secretary of State September 1, 2016.]

LEGISLATIVE COUNSEL'S DIGEST

AJR 43, Williams. Greenhouse gases: climate change. This measure would urge the United States Congress to enact a tax on carbon-based fossil fuels.

WHEREAS, The Intergovernmental Panel on Climate Change has stated in its recently released 5th Assessment Report, Climate Change 2013: The Physical Science Basis, that "[w]arming of the climate system is unequivocal" and "[i]t is extremely likely that human influence has been the dominant cause of the observed warming since the mid-20th century"; and

WHEREAS, In May of 2013, the global atmospheric concentration of carbon dioxide reached 400 parts per million, the highest level in the last 800,000 years; and

WHEREAS, In May 2014, two separate scientific papers were published in journals of Geophysical Research Letters documenting dramatic retreats of Antarctic glaciers and predicting that large-scale destruction of the West Antarctic ice sheets is likely now inevitable and will lead to sea level rises of 10 feet or more; and

WHEREAS, The 2013 Indicators of Climate Change in California, released by the Office of Environmental Health Hazard Assessment, found that continued warming of the atmosphere would cause threats of flooding along the coastline of California; threats to infrastructure, sewage systems, wetlands, and marine life; increased ocean acidification; increased threats from wildfires; threats to the water supply from decreased snow packs; increased asthma and respiratory illness due to higher ozone levels; increased insurance and mitigation costs; and negative impacts to the agriculture, fishing, and tourism industries; and

WHEREAS, Conservative estimates by climate scientists throughout the world state that, to achieve climate stabilization and avoid cataclysmic climate change, emissions of greenhouse gases must be brought to 80 percent below 1990 levels by 2050; and

WHEREAS, The California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code) commits the state to reduce greenhouse gas emissions to 1990 levels by 2020, and the Governor's Executive Order S-3-05 further calls on the 96 state to establish a policy to reduce greenhouse gas emissions to 80 percent below 1990 levels by 2050; and

WHEREAS, The California Global Warming Solution Act of 2006 has reached its 10-year anniversary and the California economy remains strong; and

WHEREAS, The United States needs powerful new policies to meet its greenhouse gas emission reduction goals established in the 2015 Paris Climate Agreement; and

WHEREAS, The United States Congress can enact a national carbon tax on fossil fuels, based on the amount of carbon dioxide the fuel will emit when burned; and

WHEREAS, For efficient administration, fossil fuels can be taxed once, as far upstream in the economy as practical, or at the port of entry into the United States; and

WHEREAS, A national, revenue-neutral carbon tax starting at a relatively low rate and increasing steadily over future years is a market-based solution that would minimally disrupt the economy while sending a clear and predictable price signal to businesses to develop and use noncarbon-based energy resources; and

WHEREAS, Citizens' Climate Education Corporation Commissioned Regional Economic Models, Inc. (REMI) to do a nation-wide macroeconomic study on the impact of a revenue-neutral carbon tax; and

WHEREAS, REMI's study predicted that, after 10 years, a revenue-neutral carbon tax would lead to a decrease in carbon dioxide emissions by 33 percent, an increase in national employment by 2.1 million jobs, and an average monthly dividend for a family of four of $288; and

WHEREAS, Border adjustments, such as carbon-content-based tariffs on products imported from countries without comparable carbon pricing and refunds to our exporters of carbon taxes paid can maintain the competitiveness of United States businesses in global markets; and

WHEREAS, A national carbon tax can be implemented quickly and efficiently, and respond to the urgency of the climate crisis, because the federal government already has in place mechanisms, such as the Internal Revenue Service, needed to implement and enforce the tax and already collects taxes from fossil fuel producers and importers; and

WHEREAS, A national carbon tax would make the United States a leader in mitigating climate change and the advancing clean energy technologies of the 21st Century, and would incentivize other countries to enact similar carbon taxes, thereby reducing global carbon dioxide emissions without the need for complex international agreements; now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly,
That the Legislature hereby urges the United States Congress to enact, without delay, a tax on carbon-based fossil fuels; and be it further

Resolved, That the tax should be collected once, as far upstream in the economy as practical, or at the port of entry into the United States; and, be it further

Resolved, That the tax rate should start low and increase steadily and predictably to achieve the goal of reducing carbon dioxide emissions in the United States to 80 percent below 1990 levels by 2050; and be it further

Resolved, That all tax revenue should be returned to middle- and low-income Americans to protect them from the impact of rising prices due to the tax; and, be it further

Resolved, That the international competitiveness of United States businesses should be protected by using carbon-content-based tariffs and tax refunds; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Majority Leader of the Senate, to each Senator and Representative from California in the Congress of the United States, and to the author for appropriate distribution.

Geographic boundaries of US Congressional Districs and County Supervisorial Districts in Contra Costa County

CONTRA COSTA COUNTY U.S. CONGRESSIONAL DISTRICTS

Click on the image to see the full detail of the image

Contra Costa County Congressional Districts

CONTRA COSTA COUNTY SUPERVISORIAL DISTRICTS

Contra Costa County Supervisorial Districts

RESOLUTION NO. 2017-50
RESOLUTION OF THE MARIN COUNTY BOARD OF SUPERVISORS URGING THE UNITED STATES CONGRESS TO ENACT A REVENUE-NEUTRAL CARBON FEE AND DIVIDEND

WHEREAS, the average surface temperature on Earth has been increasing steadily, with the sixteen warmest years ever recorded all occurring since 1998, and the hottest of all was 2016; and

WHEREAS, climate scientists overwhelmingly agree that an increase in greenhouse gases in the atmosphere — carbon dioxide (CO2) in particular — is causing the increase in global temperature and sea level rise, and that the primary cause of the substantial and continuing increase of CO2 in the atmosphere is from burning carbon-based fossil fuels — coal, oil, and natural gas; and

WHEREAS, in May, 2016, the global atmospheric concentration of CO2 reached 410 parts per million — the highest level in the last 800,000 years. It is predicted that, by 2100, the average global temperature will be 2°F to 11.5°F higher than now, depending on the level of future greenhouse gases trapped in the atmosphere ; and

WHEREAS, climate change caused by global warming-related greenhouse gas emissions, including CO2, is already leading to large-scale problems including ocean acidification and rising sea levels; more frequent, extreme, and damaging weather events such as heat waves, storms, heavy rainfall and flooding, and droughts; more frequent and intense wildfires; disrupted ecosystems affecting biodiversity and food production; and an increase in heat-related deaths; and

WHEREAS, because CO2 remains in the atmosphere for approximately one hundred years, we are approaching a dangerous greenhouse gas threshold whereby, if crossed, humans will no longer be able to influence the course of future global warming, as tropical forests, peat bogs, permafrost, and the oceans, which absorb and sequester carbon in a balanced state, will begin releasing additional carbon into the atmosphere; and

WHEREAS, the relentless increase in global atmospheric CO2 concentration requires broader, more powerful policies to supplement local and regional efforts to reduce emissions; and

WHEREAS, there are embedded human health costs due to pollutants released by burning fossil fuels that cause lung disease, respiratory illnesses, and cancer; and

WHEREAS, the environmental, health, and social costs of CO2 emissions are not currently included in prices paid for fossil fuels, but rather these externalized costs are borne both directly and indirectly by all American and global citizens; and

WHEREAS, a national carbon tax on fossil fuels, based on the amount of CO2 the fuel will emit when burned, will begin to correct this market failure; and

WHEREAS, enacting a national carbon tax would make the United States a leader in mitigating climate change and in the clean energy technologies of the 21st Century, and would incentivize other countries to enact similar carbon taxes, reducing global CO_2 emissions without the need for complex international agreements; and

WHEREAS, a national carbon tax, starting at a relatively low rate and increasing steadily over future years, is a market-based solution that would minimally disrupt the economy while sending a clear and predictable price signal to businesses to develop and use non-carbon-based energy resources; and

WHEREAS, a national carbon tax would incentivize manufacturers, businesses, and consumers throughout the economy to produce and use less fossil fuel, and would spur investment in and deployment of clean energy resources and energy efficient processes, without favoring any particular technology, and would thereby reduce CO_2 emissions into the atmosphere; and

WHEREAS, job creation from development of clean energy and energy efficiency businesses would exceed job creation from further development of fossil fuel businesses, and would promote worker retraining for those employed in the fossil fuel industries; and

WHEREAS, if 100% of carbon tax revenue is returned to households in equal shares, approximately two-thirds of Americans will break even or come out ahead, as their dividends match or exceed direct and indirect price increases due to the tax, protecting lower and middle income households; and

WHEREAS, for efficient administration, fossil fuels can be taxed once, as far upstream in the economy as practical, or at the port of entry into the United States; and

WHEREAS, border adjustments levied on carbon-based products imported from countries without comparable carbon pricing and refunds to our exporters will help level the playing field and maintain the competitiveness of U.S. businesses in global markets; and

WHEREAS, a national carbon tax can be implemented quickly and efficiently, and respond to the urgency of the climate crisis, because the federal government already has in place mechanisms, such as the Internal Revenue Service, needed to implement and enforce the tax, and already collects taxes from fossil fuel producers and importers; and

WHEREAS, the goals of a national carbon tax to reduce CO_2 emissions and transition to a green economy are consistent with state and local programs designed to mitigate climate change, such as California's AB32 and the County of Marin's Climate Action Plan and adaptation initiatives; and

WHEREAS, the market incentive provided by a steadily rising national carbon tax implemented in 2017 can result in significant and increasing near-term reductions in overall U.S. CO_2 emissions, and thereby help Marin County meet or exceed its own goals; and

WHEREAS, continued widespread use of fossil fuels and global climate change pose a present and growing risk to the health and welfare of Marin County residents and to its economy, and a U.S. national, revenue-neutral carbon tax will significantly mitigate those risks and promote health and prosperity in Marin, our region, and the world.

NOW, THEREFORE, BE IT RESOLVED that the Marin County Board of Supervisors urges the United States Congress to enact, without delay, a revenue-neutral fee on carbon-based fossil fuels; and

BE IT FURTHER RESOLVED that the tax should be collected once, as far upstream in the economy as practical, or at the port of entry into the United States; and

BE IT FURTHER RESOLVED that the tax rate should start low and increase steadily and predictably; and

BE IT FURTHER RESOLVED that all tax revenue should be returned to households to protect low and middle income Americans from the impact of rising prices due to the tax; and

BE IT FURTHER RESOLVED that the international competitiveness of U. S. businesses should be protected by using border tariffs and tax refunds; and

BE IT FURTHER RESOLVED that, while supporting a fee on carbon and dividend distribution, this Board's support rests entirely on the continued regulatory authority of the Environmental Protection Agency (EPA), continued implementation of the Clean Power Act, and the people's ongoing access to federal and state tort liability.

PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the County of Marin held on this 23rd day of May, 2017, by the following vote:

AYES: SUPERVISORS Dennis Rodoni, Katie Rice, Damon Connolly, Kathrin Sears, Judy Arnold

NOES: NONE
ABSENT: NONE

Judy Arnold

PRESIDENT, BOARD OF SUPERVISORS

ATTEST:

M Haymel

CLERK