

RESOLUTION NO. 67,595–N.S.

URGING THE UNITED STATES CONGRESS TO ENACT A REVENUE-NEUTRAL
CARBON FEE

WHEREAS, the average surface temperature on Earth has been increasing steadily, with the ten warmest years ever recorded all occurring since 1998; 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

WHEREAS, humans burning carbon-based fossil fuels— coal, oil, and natural gas—is the primary cause of the substantial and continuing increase of CO² in the atmosphere; and

WHEREAS, in May, 2013, the global atmospheric concentration of CO² reached 400 parts per million—the highest level in the last 800,000 years; and

WHEREAS, it's predicted that by 2100 average global temperature will be 2°F to 11.5°F higher than now depending on the level of future greenhouse gas emissions; and

WHEREAS, climate change caused by global warming-related greenhouse gas emissions including CO² already is 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, we are approaching a dangerous threshold whereby, if it is crossed, humans will no longer be able to influence the course of future global warming, as tropical forests, peat bogs, permafrost and the oceans switch from absorbing carbon to releasing it; and

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

WHEREAS, burning fossil fuels also has embedded human health costs from releasing pollutants that cause lung disease, respiratory illnesses, and cancer; and

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

WHEREAS, to begin to correct this market failure, the United States Congress can enact a national carbon fee on fossil fuels, based on the amount of CO² the fuel will emit when burned; and

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

WHEREAS, a national carbon fee starting at a relatively low rate and increasing steadily over future years is a market-based solution that designed to 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 fee 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 CO² emissions to the atmosphere; and

WHEREAS, job creation from development of clean energy and energy efficiency businesses would expected to exceed job creation from further development of fossil fuel businesses; and

WHEREAS, according to Citizen's Climate Lobby if 100% of carbon fee 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 fee, protecting lower and middle income households; and

WHEREAS, border adjustments—carbon content-based tariffs on products imported from countries without comparable carbon pricing, and refunds to our exporters of carbon fees paid—should maintain the competitiveness of U.S. businesses in global markets; and

WHEREAS, a national carbon fee may 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 fee, and already collects fees from fossil fuel producers and importers; and

WHEREAS, a national carbon fee could 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 fees, reducing global CO² emissions without the need for complex international agreements; and

WHEREAS, the goals of a national carbon fee to reduce CO² 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 Berkeley's Climate Action Plan and

WHEREAS, the market incentive provided by a steadily rising national carbon fee implemented in 2015 may result in significant and increasing near-term reductions in overall U.S. CO² emissions, and thereby helping Berkeley to 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 Berkeley residents and to its economy, and a U.S. national, revenue-neutral carbon fee will significantly mitigate those risks and promote health and prosperity in our City, our region, and the world.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the Council urges the United States Congress to enact without delay a revenue-neutral fee on carbon-based fossil fuels.

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

BE IT FURTHER RESOLVED that the fee rate should start low and increase steadily and predictably, to achieve the goal of reducing U.S. CO² emissions to 10% of 1990 levels by 2050.

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

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

The foregoing Resolution was adopted by the Berkeley City Council on June 28, 2016 by the following vote:

Ayes: Anderson, Arreguin, Capitelli, Droste, Maio, Moore, Wengraf, Worthington and Bates.

Noes: None.

Absent: None.



Tom Bates, Mayor

Attest: 

Mark Numainville, City Clerk