

Grand Marais Public Utilities Commission
Resolution 2016-01

**RESOLUTION RECOGNIZING CLIMATE CHANGE AND URGING
CONGRESS TO LEVY A REVENUE-NEUTRAL FEE ON CARBON IN
FOSSIL FUELS**

WHEREAS, climate scientists worldwide are in near-unanimous agreement that the Earth is warming rapidly which is causing changes in climate that are perilous to the Earth's natural systems and to human civilization; and

WHEREAS, the primary cause of that warming is human activity, especially through the combustion of fossil fuels which emit greenhouse gases such as carbon dioxide (CO₂); and

WHEREAS, the continued use of fossil fuels is being supported by a market failure whereby the costs of carbon emissions are not included in the price of fossil fuels; and

WHEREAS, the urgent need to transition away from fossil fuels can best be accomplished with a market-based program, namely a revenue-neutral carbon fee on fossil fuel producers with a corresponding rebate or dividend to consumers; and

WHEREAS, using such a revenue-neutral carbon fee and dividend to reduce carbon emissions would have the following benefits:

- (1) The carbon fee would incentivize the development and use of energy efficiency and low-carbon energy sources and minimize the need for onerous governmental energy regulations and subsidies that attempt to forecast winners and losers.
- (2) The transition to low-carbon energy sources will provide a range of additional benefits including enhanced public health, job creation and strengthening of the U.S. economy, increased energy security, and increased local energy development in rural areas.
- (3) Even though the carbon fee would temporarily increase energy costs including electricity rates, and the cost of living, those costs would be offset by the revenue returned to households on an equal basis as a dividend such that the bottom 55-60% of households by income would break even or receive more in dividends than they would pay in higher living expenses.

NOW, THEREFORE, BE IT RESOLVED

that the Grand Marais Public Utilities Commission strongly urges the United States Congress to pass legislation that levies an annually increasing revenue-neutral fee on the carbon in fossil fuels at the point of production or importation, that would be sufficient to:

- (a) Encourage individuals and businesses to produce and use less fossil fuels;
- (b) Make the transition from fossil fuels less onerous to consumers and to the economy by returning to Americans on an equitable basis all of the revenues gained from the fee;
- (c) Reduce U.S. CO2 emissions to 10% of 1990 levels by 2050;
- (d) Encourage similar actions by other nations trading with the United States, by suitable carbon-content-based fees for imports, and rebates for exports, to nations that have not taken such actions.

BE IT FURTHER RESOLVED that the Grand Marais City Administrator is directed to forward a copy of this resolution to the Grand Marais City Council and the City's Congressional Delegation.

GRAND MARAIS PUBLIC UTILITIES COMMISSION

By: 
Karl Hansen, Chairperson

Attest: 
Jan Smith, Secretary