



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.

The Basics of Carbon Fee and Dividend

- 1**
Place a steadily rising fee on fossil fuels (coal, oil and gas).
[More](#)
- 2**
Give 100% of the net fees back to households each month.
[More](#)
- 3**
Use a border adjustment to stop business relocation.
[More](#)
- 4**
It's good for the economy AND even better for the climate.
[More](#)

The Text of the Carbon Fee and Dividend Proposal:

Therefore the following legislation is hereby enacted:

- 1. Collection of Carbon Fees/Carbon Fee Trust Fund:** 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. Methane Leakage:** 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. Emissions Reduction Targets:** 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. Equal Per-Person Monthly Dividend Payments:** 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. Border Adjustments:** 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

Citizens' Climate Lobby is a non-profit, non-partisan, grassroots organization focused on federal passage of Carbon Fee and Dividend.

In order to generate the political will necessary for passage of our Carbon Fee and Dividend proposal we train and support volunteers to engage elected officials, the media and the public.

What we do

- We lobby in support of our Carbon Fee and Dividend proposal by building helpful, friendly relationships with our federally elected representatives, with respect, appreciation and gratitude for their service.
- We write letters to the editor and op-eds, and meet with editorial boards to gain their editorial endorsement. Additionally, we work with digital media, radio, TV and all forms of social media.
- We give presentations and do outreach at events to promote CCL and introduce others to our Carbon Fee and Dividend proposal.
- We support our volunteer chapters with monthly conference calls, and we support the leaders of those chapters with weekly conference calls.

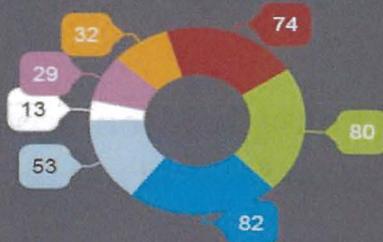
What we believe

- Politicians don't create political will, they respond to it.
- We believe citizens, organized by Congressional district, who are well-trained and have a good system of support, can more than influence the political process.
- In respect for all viewpoints, even for those who would oppose us.
- Based on what both climate scientists and economist tell us, we believe that Carbon Fee and Dividend is the best first step to reduce greenhouse gas emissions and to mitigate the impacts of a changing climate.

More at citizensclimatelobby.org

OUR GROWTH & IMPACT

Volunteer Chapters

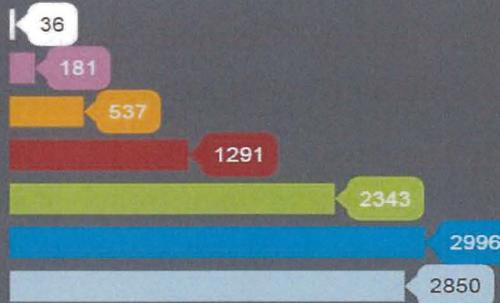


363 Chapters

Lobby Meetings



Published Media



Letters to Congress



Outreach Events



2010 2011 2012 2013 2014 2015 2016



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